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ABSTRACT

An evaluation was conducted to study the fiscal section of the State Library Agencies Survey of the National Center for Education Statistics (NCES), examining Parts K, L, and M. The evaluation was designed to check for duplication of data collection between the survey and the compliance materials of the Office of Library Programs (OLP), a former agency of the U.S. Department of Education, and to analyze selected definitions used in the survey. No duplication was found between the NCES survey and the OLP for the fiscal year 1995, and duplication was not likely for fiscal years 1994 and 1996. Some recommendations are made to improve data collection in the future. The study of definitions suggests that that lack of a precise definition of "income" in Part K and expenditures in Parts L and M may have contributed to some confusion in reporting. Some statewide library agencies appeared to misclassify their expenditures data. Recommendations are made for improving data classification. Part III of this report discusses the evaluation methodology. Two appendixes contain information and excerpts from the NCES and OLP surveys. (SLD)

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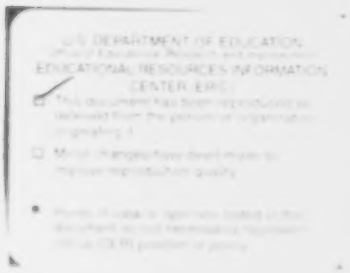
ED 433 376

NATIONAL CENTER FOR EDUCATION STATISTICS

Technical Report September 1999

Evaluation of the NCES State Library Agencies Survey

An Examination of Duplication and Definitions in the Fiscal Section of the State Library Agencies Survey



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NATIONAL CENTER FOR EDUCATION STATISTICS

Technical Report September 1999

Evaluation of the NCES State Library Agencies Survey

An Examination of Duplication and Definitions in the Fiscal Section of the State Library Agencies Survey

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Foreword

This report was prepared for the National Center for Education Statistics by the Governments Division of the U.S. Bureau of the Census, where the primary author was Laura Riley Aneckstein. The report documents an evaluation which focused on the fiscal section of the State Library Agencies Survey, Parts K, L, and M. The evaluation had two objectives: (1) to check for duplication of data collection between the survey and the compliance materials of the Office of Library Programs, a former agency of the U.S. Department of Education, and (2) to analyze selected definitions.

Assistance from the many state library agencies and the Office of Library Programs is gratefully acknowledged.

Terms Used In This Report

The following terms are used in this report:

Allotment—The funds set aside to be awarded to each State Library Agency (STLA) by the Office of Library Programs (OLP).

Award—The award is the amount of funds actually applied for and made available to the STLA after the allotment has been determined. The allotment and the award are usually the same, as most STLAs apply for the full amount of their allotment. The award is a de facto "credit" of the agency's Library Services and Construction Act "account." The state library agency might not use the entire award. In such a case, the agency generally does not consider the unused amount to be income, because the funds remain in the OLP custody.

Carryover Funds—Funds awarded the STLA in a prior year, but expended in the current year.

Carry Forward Funds—Funds awarded the STLA in the current year, but reserved by the STLA for spending in the approaching year.

CMIA—The Federal Cash Management Improvement Act—New regime under which grantees receive federal grants as needed throughout the federal fiscal year. Codified at 31 U.S.C. §§ 6501 - 6508 (1998).

Data Collection Instrument—The form or group of forms sent by the data collection agent to the respondent, to be completed and returned to the data collection agent. The data collection instrument used by the National Center for Education Statistics survey is a questionnaire contained in a 3.5 inch floppy disk. The data collection instrument used by the Office of Library Programs is a set of paper forms called the Annual Financial and Performance Report.

Data Element—A variable about which information is collected from all STLAs, such as *reporting period, income,* or *expenditures.*

Draw Down—The amount drawn down from the STLA's U.S. Treasury account controlled by the Office of Library Programs. Used by that office as a measure of LSCA expenditures.

Duplication— The collection of the same data by different data collection agents. In this report, duplication is defined narrowly, to include only data that are facially identical. For example, data that were fundamentally the same, but that were collected according to divergent reporting periods, would not be considered duplicative.

E.D. Tabs—The published document presenting the State Library Agencies Survey.

Expenditures Breakdowns—The groupings of LSCA expenditures collected by the NCES. They consist of "Statewide Services," "Grants," and "LSCA Administration."

IMLS—Abbreviation for the Institute of Museum and Library Services, the agency which will administer grants for library services under the LSTA.

IMLS Task Force—The committee appointed to plan the design and implementation of the IMLS regulatory system.

LSCA—Library Services and Construction Act—The federal law which creates and funds programs for library development. The LSCA contains eight titles, each focusing on a particular area of concern to libraries and the public they serve. The most prominent of these are Titles I through III, which account for over 96 percent of LSCA funds. Formerly codified at 20 USC §§ 351-375 (1995), the LSCA was replaced by the Library Services and Technology Act of 1996.

LSCA Expenditures—For purposes of this report, LSCA expenditures include only federal funds expended under the LSCA.

LSTA—Library Services and Technology Act—The new federal law that replaces the LSCA. Under the LSTA, funds will no longer be distributed under eight titles. Codified at 20 U.S.C. §§ 9121 - 9163 (1998).

OLP—Abbreviation for the Department of Education, Office of Library Programs. After fiscal year 1997 the OLP ceased to exist.

OLP Annual Report—Abbreviated reference to the Annual Financial and Performance Report collected from each STLA by the Office of Library Programs.

OLP Data—Abbreviated reference to the materials collected by the OLP for its examination of state compliance with LSCA funding regulations.

NCES—National Center for Education Statistics. This agency contracts for the services of the United States Census Bureau to conduct the State Library Agencies Survey and publish *State Library Agencies*.

NCES Survey (also "the survey" or "the STLA survey")—The State Library Agencies Survey.

Steering Committee (also, "STLA Steering Committee")— The committee responsible for planning the design and implementation of the NCES State Library Agencies Survey.

STLA—Abbreviation for state library agency.

Title I, Public Library Services—Title of the LSCA which provides for aid to state libraries for improving access to library services, with the objective of making such services available to people of all income, educational, geographic, and ethnic backgrounds. Formerly codified at 20 USC §§ 352-355 (1995).

Title II, Public Library Construction and Technology Enhancement—Title of the LSCA which provides for aid to state libraries for physical construction and technological innovation. Formerly codified at 20 USC §§ 355a-355d (1995).

Title III, Interlibrary Cooperation and Resource Sharing—Title of the LSCA which provides for aid to state libraries for the purpose of developing networks for inter-library circulation and reference. Formerly codified at 20 USC §§ 355e to 355e-4 (1995).

Title IV, Library Services for Indian Tribes—Title of the LSCA which provides for library services to Indian Tribes. Formerly codified at 20 USC §§ 361-366 (1995).

Title V, Foreign Language Materials Acquisition—Title of the LSCA which provides for foreign language materials acquisition. Formerly codified at 20 USC § 371 (1995).

Title VI, Library Literacy Programs—Title of the LSCA which provides for Library Literacy Programs. Formerly codified at 20 USC § 375 (1995).

Title VII, Evaluation and Assessment—Title of the LSCA which provides for evaluation and assessment. Formerly codified at 20 USC § 381 (1995).

Title VIII, Library Learning Center Programs—Title of the LSCA which provides for family learning and library literacy centers. Formerly codified at 20 USC §§ 385-385e, & 386-386g (1995).

TABLE OF CONTENTS

Foreword v

Terms Used In This Report vi

CHAPTER ONE. INTRODUCTION 1
Section 1.0 Principal Findings and Recommendations of Part I: Duplication of Data Collection 1
1.0.1 Principal Findings of Part I 1
1.0.2 Recommendation for Part I 2
Section 1.1 Principal Findings and Recommendations of Part II: Definitional Analysis of Income and Expenditures Items 2
1.1.1 Principal Findings of Part II 2
1.1.2 Recommendations of Part II 2
Section 1.2 Background for Part I 3
1.2.1 The NCES Survey 3
1.2.2 Office of Library Programs 4
Section 1.3 Background for Part II 4

PART I: AN ASSESSMENT OF DUPLICATION OF INCOME AND EXPENDITURES DATA BETWEEN THE NCES SURVEY AND OLP MATERIALS 6

CHAPTER TWO. COMPARISONS OF INCOME FROM LSCA FUNDS (NCES SURVEY ITEMS 154-163) . 6
Section 2.0 Introduction 6
2.0.1 Principal Findings 6
2.0.2 Description of the NCES Survey, Part K 6
2.0.3 Description of the Fiscal Section of OLP Annual Report 6
Section 2.1 Analysis of Duplication of Income Data Collection 7
2.1.1 Introduction 7
2.1.2 The Federal Cash Management Improvement Act 7
2.1.3 Research Findings 8
2.1.4 Future Potential for Duplication of Income Data Collection 8

CHAPTER THREE. COMPARISONS OF EXPENDITURES FOR LSCA TITLES I AND III FUNDS (NCES ITEMS 190-200) 11
Section 3.0 Introduction 11
3.0.1 Principal Findings 11
3.0.2 Description of the NCES Survey, Part M 11
3.0.3 Description of the Performance Section of the OLP Annual Report 11
Section 3.1 Comparison of the NCES and OLP Expenditures Data 12
3.1.1 Introduction 12
3.1.2 Comparison: Annual Collection of Titles I through III Data 12
3.1.3 Comparison: Expenditures Groupings 12
3.1.4 Comparison: Reporting Period 15

CHAPTER FOUR. FINDING AND RECOMMENDATIONS OF PART I 19
Section 4.1 Principal Finding of Part I 19
Section 4.2 Recommendation 19

PART II: AN EXAMINATION OF THE DEFINITIONS OF SELECTED FINANCIAL ITEMS 20

CHAPTER FIVE. AN EXAMINATION OF THE INCOME AND EXPENDITURES DEFINITIONS OF THE STATE LIBRARY AGENCIES SURVEY 20
Section 5.0 Introduction 20
5.0.1 Principal Findings 20
5.0.2 Recommendations 20
Section 5.1 Definitions of Income and Expenditures Items 20
Section 5.2 Analysis of Income and Expenditures Items 20
Section 5.3 Recommended Income and Expenditures Questions 21

CHAPTER SIX. EXAMINATION OF STATEWIDE SERVICES, GRANTS, AND OTHER SELECTED EXPENDITURE DEFINITIONS IN THE STATE LIBRARY AGENCIES SURVEY 23
Section 6.0 Introduction 23
6.0.1 Principal Findings 23
6.0.2 Recommendations 23
Section 6.1 Relationships Between Parts L and M Expenditures 24
Section 6.2 Examination of Statewide Services and Grants 25
6.2.1 Data Analysis 25
6.2.2 Agency Providing Statewide Services 25
6.2.3 Two Meanings for Statewide Services 25
6.2.4 Recommended Definitions of Statewide Services and Grants 26
Section 6.3 Operating and Aid-to-Libraries Definitions 27
6.3.1 Classification Error where STLA Pays Directly for Library Materials or Services 27
6.3.2 Confusion about the Distinction between Operating and Aid-to-Libraries Expenditures 27
6.3.3 Recommended Notes Defining Financial Assistance to Libraries and Operating Expenditures 28
Section 6.4 Library Construction Aid and Capital Outlay 28
6.4.1 Classification Error of Library Construction Aid (item 184) as Capital Outlay (item 187) 28
6.4.2 Recommended Definitions of Library Construction Aid and Capital Outlay 28

PART III: METHODOLOGY 34

CHAPTER SEVEN. METHODOLOGY 34
Section 7.0 Introduction 34
7.0.1 Selection of STLAs for Evaluation 34
7.0.2 Reporting Period Inconsistency 34
7.0.3 Rounding 34
7.0.4 Reference Sources 35
Section 7.1 Chapter Two: Duplication of Income Data 36
Section 7.2 Chapter Three: Duplication of Expenditures Items 36
7.2.1 Expenditures Groupings 36
7.2.2 Comparison: Reporting Period 37
Section 7.3 Chapter Six: Analysis of Selected Expenditures Definitions 37
7.3.1 Introduction 37
7.3.2 Analyzing Payments to Agencies Contracted to Provide Statewide Services 40
7.3.3 Analyzing how STLAs Viewed the Statewide Services Versus Grants Distinction 40
7.3.4 Analyzing the Treatment of Expenditures for the Direct Provision of Materials or Services to Libraries 40
7.3.5 Analyzing the Treatment of Expenditures for Construction Aid 40

APPENDIX A 41
Section A-1: Excerpt of Survey Materials, Fiscal Year 1995 41
Section A-1.1 Item 049: Definition of LSCA Administration 41

Section A-1.2 Part K: Income 41
Section A-1.3 Part L. Expenditures 42
Section A-1.4 Part M: LSCA Titles I–III Expenditures 43
Section A-1.5: Excerpt/Copy of Data Entry Screen for Survey 44
Section A-2: Excerpt of Survey Materials, Fiscal Year 1997 47
Section A-2.1 Item 049: Definition of LSCA Administration 47
Section A-2.2 Part K. Income 47
Section A-2.3 Part L. Expenditures 48
Section A-2.4 Part M. LSCA Titles I–III Expenditures 49
Section A-2.5 View/Data Entry Screen - STLA Survey, FY 97 51

APPENDIX B. OLP MATERIALS 54

LIST OF TABLES AND CHARTS

Table 2-1. NCES State Library Expenditures and Income, and Federal Allotments Under the Library Services and Construction Act, by Title and State: Fiscal Year 1995 9

Table 2-2. NCES State Library Income and Expenditures, and Difference as a Percentage of Expenditures for Titles I and III by State: Fiscal Year 1995 10

Table 3-1. State Library Expenditures for Administration of the Library Services and Construction Act: Comparison of National Center for Education Statistics (NCES) and Office of Library Programs (OLP) Data and Percent Difference by State: Fiscal Year 1995 16

Table 3-2. State Library Expenditures under the Library Services and Construction Act: Expenditure Category by Program Office and Title for Selected States: Fiscal Year 1995 17

Table 3-3. State Library Expenditures: Titles I and III of the Library Services and Construction Act and Library Program Office by State: Fiscal Year 1995 18

Table 6-1. Correct, Unknown, or Incorrect Classification of Statewide Services Expenditures by State Library Agencies by Fiscal Year and State 30

Chart 6-1. Explanations for Classification by State Libraries of Library Services and Construction Act Statewide Expenditures as Other Than Operating Expenditures by State and Fiscal Year 31

Chart 6-2. State Library Agencies: Classification of Aid to a Single Agency or Library System Providing Statewide Services (State Library Agencies Survey Item 183), by Name, Number, and Fiscal Year 33

Chart 6-3. Interpretation of Distinction Between Statewide Services (State Library Agencies Survey Items 190 and 197) and Grants (Items 191, 194, 198), by State Libraries: Fiscal Years 1994—1996 33

CHAPTER ONE. INTRODUCTION

Section 1.0 Principal Findings and Recommendations of Part I: Duplication of Data Collection

1.0.1 Principal Findings of Part I

1. The National Center for Education Statistics (the "NCES") collects data on Library Services and Construction Act income (NCES survey items 154-163). The now defunct Office of Library Programs (the "OLP") collected only so-called "expenditures" data. Because of the Cash Management Improvement Act, however, these data were fundamentally similar to income data. See Section 2.1.2.

2. Although the NCES income data and the OLP expenditures data were fundamentally similar, there was no duplication[1] of income data between the two, for four reasons:

   a. The OLP collected no annual fiscal data on Titles II and Titles IV-VIII. See Section 2.1.2.

   b. The reporting periods used by the NCES survey and the OLP were different for all but three state library agencies ("STLAs"). However, even those three STLAs failed to exhibit matching income data, suggesting that other factors prevented duplication aside from the reporting period difference. See Section 2.1.3.

   c. The definition of income in the NCES survey is unclear, creating inconsistent income data. Some STLAs used the amount drawn down from their OLP account as the income measure, and others used the federal allotment. Thus, the OLP data, which were based on the "draw-down,"[2] only had the potential to duplicate the NCES income data that were also based on the "draw-down." For a more detailed review of this issue see Section 5.2.

   d. The two agencies collected the data for fundamentally different purposes. The NCES collects data for statistical and policy analysis purposes, while the OLP used the data in its regulation and administration of the Library Services and Construction Act ("LSCA"). See Section 1.2.

3. Both the NCES and the OLP collected data from each state library agency on LSCA expenditures. See Sections 3.0.2 and 3.0.3.

4. Although both the NCES and the OLP collected LSCA expenditures data, there was no duplication between the two. Four reasons exist, three of which were presented above (viz.): (1) the OLP did not collect annual financial data for Title II (see Section 3.1.2); (2) the reporting periods used by each agency were different (see Section 3.1.4); and (3) the data were collected for very different purposes. In addition, the expenditures groupings were incompatible:

   Expenditures groupings. The NCES collects the expenditures data by various groupings of three categories: statewide services, grants, and LSCA administration. The Titles I through III expenditures data collected by the NCES cannot be presented by project or any other sub-grouping of the categories because the data are aggregated by the STLA before collection. The OLP collected the data by project reports that did not divide expenditures into statewide services and grants. Thus, the expenditures reported to the NCES are not in a format compatible with those reported to the OLP. See Section 3.1.3.

5. The NCES sums the statewide services and/or grants and/or LSCA administration categories for each title, while the OLP summed the expenditures by project. Because each project's expenditures cannot be classified in terms of the NCES groupings, total expenditures is the only level at which the NCES and the OLP data could agree. In addition, because of incompatible reporting periods, duplication could have existed only for the STLAs of Alabama, District of Columbia, and Michigan. Moreover, even these three STLAs failed to exhibit identical data. See Section 3.1.3.

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[1] *See Terms Used in this Report, p. iii.*

[2] *See "Terms Used in this Report, p. iii.*

6. Although Part I finds no duplication of either income or expenditures items between the NCES survey and the OLP materials, duplication could again be a possibility for fiscal year 1998. Since the OLP was dissolved by statute, the Institute of Museum and Library Services (IMLS) has taken over federal library program administration. See Section 4.2.

1.0.2 Recommendation for Part I

1. Because the data being collected by the NCES survey may be fundamentally similar to those that will be collected by the IMLS, the Steering Committee[3] might wish to consult with that agency regarding the possibility of coordinating data collection in future years. See Section 4.2.

Section 1.1 Principal Findings and Recommendations of Part II: Definitional Analysis of Income and Expenditures Items

1.1.1 Principal Findings of Part II

1. The lack of a precise definition of income in Part K has created confusion on the parts of some STLAs regarding which measure of income should be used: the federal allotment; or the amount drawn down from the U.S. Treasury account controlled by the Office of Library Programs. See Section 5.2.

2. Some STLAs are misclassifying their expenditures data. There is evidence that the following misclassifications are occurring:

    a. Classification of payments by the STLA to agencies contracted to perform statewide services as "statewide services" instead of "grants" in Part M. See Section 6.2.

    b. Classification of expenditures by the STLA for the direct provision of materials or services to libraries as "aid-to-libraries" instead of "operating" expenditures in Part L. See Section 6.3.

    c. Classification of library construction grants as "capital outlay" instead of "library construction aid" in Part L. See Section 6.4.

1.1.2 Recommendations of Part II

1. The U.S. Treasury account draw-down could be used as the measure of income in Part K, and the amount actually expended could be the measure of expenditures in Parts L and M of the survey. (The draw-down and actual expenditures are equal for most STLAs.) See Section 5.3.

2. A new question collecting LSTA federal allotment (or award) data could be added to Part M. The question could request the total amount of prior-year carryover funds and current year funds expended. This would allow the data-user to compare the amount of funds set aside for each STLA as well as the amount actually expended. Unlike the rest of the fiscal data, the responses to this question would be reported based on the federal fiscal year. See Section 5.3.

3. To alleviate confusion in item 190, expenditures of statewide services, the reference to the phrase "to provide services to libraries and individuals throughout the state"could be deleted. The phrase "include all operating expenditures and capital outlay" could be inserted after the first sentence. See Section 6.2.4.

4. Depending on how the Steering Committee wishes to classify funds paid to contracting agencies, Items 190 and 191 could be modified as follows:

    a. If the Steering Committee wishes to classify funds paid to contracting agencies as grants rather than as statewide services, in item 190 the sentence "[i]ncludes sub-grants made to single libraries or other outside agencies to provide or assist in providing such services" should be edited so that "excludes" replaces "includes." Item 191 should end with "Include funds paid to agencies contracted to provide statewide services." See Section 6.2.4.

    b. If the Committee wishes to classify funds paid to contracting agencies as statewide services, no changes to item 190 are necessary other than those suggested in recommendation 3

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[3] *See Terms Used in this Report, p. iv.*

above. Item 191 should end with "Exclude funds paid to agencies contracted to provide statewide services." See Section 6.2.4.

5. Part of the reason for the misclassification of expenditures data in Part M may be that the survey instructions seem to include two different concepts of "statewide services." While item 190 appears to include all STLA operating expenditures, regardless of the area served, item 183, aid to a single agency providing statewide services, seems to define statewide services according to the size of the area served. Unless item 183 intentionally excludes certain types of services, the text could be simplified to include all STLA-sponsored services. The examples of statewide services would be deleted and "where the primary service area is all or a significant portion of the state" would be removed. See Section 6.2.4.

6. The lack of a definition of "aid" in Part L has, for some respondents, created confusion in distinguishing between aid-to-libraries and operating expenditures. To address this, the aid-to-libraries section could include a note with a short definition of "aid," just after the title, "Financial Aid-to-Libraries." It could also distinguish the situation of providing materials or services directly to libraries, from giving financial aid. Finally, the current note under operating expenditures could be augmented to include specific types of expenditures that would be considered operating expenditures. See Section 6.3.3.

7. Analysis of the data revealed that some STLAs may have mistakenly classified library construction grants as capital outlay. To guard against this mistake in the future, the following sentences could be added to items 184 and 187: At the end of item 184: "EXCLUDE construction on state library buildings." At the end of item 187: "EXCLUDE grants for construction on libraries other than the state library." See Section 6.4.2.

Section 1.2 Background for Part I

Part I of this evaluation compares fiscal year 1995 data collected by the NCES survey with those collected by the OLP, to determine whether the OLP's Annual Financial and Performance Reports ("annual reports") collected any of the data in items 154-163 or 190-200 of the NCES survey. The STLA Steering Committee and the NCES authorized this duplication analysis to address issues raised in an Office of Management and Budget ("OMB") memorandum written in 1994.[4] The memorandum had expressed concern that the NCES and OLP may have been collecting the same LSCA data, thereby creating an excessive reporting burden for STLAs. At the time this study began, Steering Committee and NCES officials were aware that to some extent there was an overlap in the collection of financial data between the two agencies. At the same time, they were aware that the two agencies collected the data in different groupings, and that the data were collected according to different reporting periods. The duplication analysis was authorized to determine to what extent these and other differences prevented duplication, and whether the differences were avoidable.

Part I of this study analyzes STLA data from fiscal year 1995 only, for two reasons. First, because the forms used by each agency were essentially the same from fiscal years 1994, when the survey began, through 1996, it was not necessary to scrutinize the data from all three years. Second, it was preferable to examine the most recent data possible, and at the time Part I began, the 1996 data were not yet complete.

The evaluation consulted the following reference sources for information about the survey and OLP materials: statutory and regulatory material, blank data collection instrument forms, instructions for form completion, actual respondent data, and phone interviews with selected respondents. See Section 7.0.4 for further details on how the references were used.

To understand this report, it will be necessary to become familiar with the data collection objectives and methods of each agency. Because the main objective of each agency was different, the collection methods and data differed. A brief explanation of objectives and methods follows.

1.2.1 The NCES Survey

The NCES publishes *State Library Agencies, Fiscal Year 1995*, NCES 97-434, (a publication tabulating and summarizing the NCES survey) each year for STLA

[4] *OMB No. 1850-0705.*

administrators, state legislators, and other policy-makers. The purpose of the STLA survey is to provide state and Federal agency policy makers with information about state library agencies. The data collected are useful to (1) Chief Officers of state library agencies, (2) policy makers in the executive and legislative branches of Federal and state governments, (3) government and library administrators at Federal, state, and local levels, (4) the American Library Association and its members or customers, and (5) library and public policy researchers. The survey asks each STLA about the kinds of services it provides, its staffing practices, its collections, income and expenditure data, and more. Decision-makers use the NCES survey to obtain information about services and fiscal practices.

The NCES survey is conducted by the United States Census Bureau, under contract with the National Center for Education Statistics. The survey instrument is contained in a software program into which each STLA enters its responses electronically. The STLA may receive the program either on floppy disk or by e-mail. After completing the survey, the STLA sends it back to the data collection unit. Excerpts from the survey and instructions can be found in Appendix A. Further explanation of items 154-163, and 190-200 of the NCES survey will be provided in Sections 2.0.2 and 3.0.2, respectively.

1.2.2 Office of Library Programs

Until federal fiscal year 1998, the Office of Library Programs ("the OLP") was an agency within the Department of Education that funded the programs authorized by Titles I through III of the Library Services and Construction Act. The OLP solicited grant applications from the STLAs, determined the amount to be awarded each, dispersed the funds, and monitored the programs administered by the STLAs and their subgrantees. When the Library Services and Technology Act of 1996 passed, it ordered that all federal library programs be transferred to the new Institute of Museum and Library Services after fiscal year 1997.

Unlike the NCES, the OLP did not compile data for publication and use by STLAs and other policy-makers. Rather, the OLP collected the LSCA information in order to evaluate the extent to which each STLA was adhering to the LSCA grant program regulations. The divergent objectives of the agencies have caused them to collect different data. The NCES uses a broad focus, and collects information on many different aspects of STLA operation, only one of which is financial statistics. The OLP had a much narrower scope, concentrating on each grant project and whether the related funds were expended properly. Further explanation of data collection by the OLP can be found in Sections 2.0.3 and 3.0.3.

Section 1.3 Background for Part II

Since the first State Library Agencies Survey was conducted (fiscal year 1994), some of the financial data (collected in Parts K, L, and M of the survey) returned by the respondents have been inconsistent and problematic. The Steering Committee and the NCES requested this part of the evaluation in order to determine the causes of the anomalous data, and to revise the definitions for the affected items.

The ensuing study relied on the survey forms, instructions, and the respondent survey manuals; actual respondent data from survey years 1994-1996; and phone interviews with 28 respondents. See Section 7.0.4 for further details on these references.

While the phone interviews collected some important information, they also revealed an underlying problem: The respondents are too busy to spend much time completing the survey. As such, the respondents sometimes do not double-check the data they provide for obvious errors; they do not always investigate further if they do not understand a question or item definition; and they are often unable to explain why their data appear internally inconsistent.

Those conditions made Part II a difficult prospect. Often, during phone interviews, the respondents were uncertain about why equations were out of balance. When this occurred, it became necessary to use circumstantial evidence to draw conclusions about the data. In other words, the evaluation analyzed the respondent's data reporting pattern over three years to piece together the respondent's interpretations of the survey items. The necessity of relying on circumstantial evidence affected the strength of some of the findings. However, those findings, together with a close examination of Parts K, L, and M, did allow for a revision of the relevant questions, definitions and notes.

When examining the recommended changes, it will be important to recall that the LSCA will not be relevant to the fiscal year 1998 survey. Instead, the LSTA will control the federal grants to state library agencies. While it remains unknown exactly how STLA data will be collected under the LSTA regime, it is possible that the Institute of Museum and Library Services (IMLS) will collect fundamentally the same fiscal information as did the Office of Library Programs. Hence, the fiscal parts of the NCES survey may remain largely unaffected by the transfer of regimes.

The suggested definitional modifications were constructed with this in mind. Minor editing was done where required, to reflect the evolution from LSCA to LSTA. References to "LSCA" were changed to "LSTA," and references to Titles I, II, and III were changed to "Section 231(a) [20 U.S.C. § 9141(a)] of the Library Services and Technology Act," the subsections which reflect the Act's two main focuses. See Section 5.3.

PART I: AN ASSESSMENT OF DUPLICATION OF INCOME AND EXPENDITURES DATA BETWEEN THE NCES SURVEY AND OLP MATERIALS

CHAPTER TWO. COMPARISONS OF INCOME FROM LSCA FUNDS (NCES SURVEY ITEMS 154-163)

Section 2.0 Introduction

This chapter compares the NCES survey, Part K, items 154-163, with the OLP annual report forms to assess whether the OLP also collected the data referenced in those items. Section 2.0 explains how the NCES collects its LSCA income information from the STLAs, and compares the NCES and the OLP report forms. The description of Part K was taken from the fiscal year 1995 survey. Section 2.1 analyzes the actual data for duplication, concluding that no duplication existed.

2.0.1 Principal Findings

1. The NCES collects data on LSCA income, but the OLP collected only so-called "expenditures" data. Because of the Cash Management Improvement Act, however, these data were fundamentally similar to income data.

2. Although the NCES income data and the OLP expenditures data were fundamentally similar, there was no duplication of income data for fiscal year 1995, nor is duplication likely to have occurred in 1994 or 1996. Four reasons exist:

    a. The OLP collected no annual fiscal data on Titles II and Titles IV-VIII.

    b. The reporting periods used by the NCES survey and the OLP were different for all but three STLAs, a difference which by itself would have prevented duplication of the income data for all but those three.

    c. The definition of income in the NCES survey is unclear, creating noncomparable income data.

    d. The two agencies collected the data for fundamentally different purposes. The NCES collects data for statistical and policy analysis purposes, while the OLP used the data in its regulation and administration of the LSCA.

2.0.2 Description of the NCES Survey, Part K

Items 154-163 of Part K collect STLA income data (see Appendix A, Sections A-1.2 and A-1.5).

- Items 154-156 instruct the STLA to provide total Titles I through III funds received as income during that STLA's fiscal year by title (excluding carryover funds).

- Item 157 requires the STLA to calculate total Titles I through III income from the data provided in items 154-156.

- Item 158 asks for any LSCA income received under Titles IV-VIII.

- Items 159-163 ask the STLA to identify the LSCA title(s) under which the amount in item 158 was received.

Part K does not require the STLA to provide income information that identifies the amount of funds awarded for specific LSCA grant program activity categories.

2.0.3 Description of the Fiscal Section of OLP Annual Report

The fiscal section of the OLP annual report asked the STLA to provide expenditures under Titles I through III. For expenditures under Titles I and III, the STLA completed fiscal breakdown forms, which required it to identify the amount of funds expended in each of certain established program categories. For each category, the STLA provided the amount of preceding-year "carry over" funds expended, the amount of current funds expended, and the amount of funds the STLA wished to "carry forward" for expenditure in the approaching fiscal year. Current year expenditures were broken down by source (LSCA, state and local) (see Appendix B, pp. C4-C7).

Title I contained 18 grant program categories, ranging from category 1, "Public Library Services to Areas Without Services," to category 18, "LSCA Administration" (a category in which the STLA was asked how much it expended on preparing its grant application, aiding in the dispersal of LSCA funds,

etc.). Title III contained five grant program categories. When the OLP reviewed an STLA's report, it entered the STLA's expenditures for each category of Titles I, II, and III onto a spreadsheet. The spreadsheet, which was an unofficial tool used by the OLP for internal purposes only, summed the expenditures under each category by title, calculating expenditures by title. The expenditures-by-title were then summed to arrive at total LSCA expenditures.

Section 2.1 Analysis of Duplication of Income Data Collection

2.1.1 Introduction

The examination of Part K of the survey first appeared relatively straightforward because the OLP did not purport to collect any income data from the STLAs. Rather, the OLP kept records of the amount of funds it had allotted and awarded under the LSCA each year, as well as the amount the STLA had drawn down from its OLP account for expenditures. After further study, however, it became apparent that duplication was a serious possibility, because of the federal Cash Management Improvement Act (CMIA).[5]

The CMIA created confusion for some respondents about which measures of income and expenditures applied. Under it, the concepts of the federal allotment and grantee income and expenditures have changed. Where income and expenditures used to be distinct terms, the distinction has blurred so that although the OLP considered the draw-down to be a measure of expenditures, many grantees use it as the income measure in Part K of the NCES survey.

2.1.2 The Federal Cash Management Improvement Act

Congress enacted the Federal Cash Management Improvement Act to strengthen control over the expenditure of federal grant funds by grant recipients. Before the CMIA, grantees could request their grant funds before they needed them. They could collect the funds, and then earn interest from them before they were expended. Since the passage of the CMIA, a grantee's funds are kept in a grantor-controlled account at the U.S. Treasury. As the grantee requires the funds, it submits a written requisition, thus "drawing down" on its account. If the grantee then keeps the funds without expending them for more than a day or so (the procedures vary among states), the grantee must pay an interest penalty. If a grantee does not use all of the allotted funds during that period, they are not considered income by the granting agency.

This regime has affected the applicability of traditional concepts of income and expenditures because the grantee must expend the money immediately after receipt. In many cases, the grantee may actually obligate the funds before requesting them from the Treasury. Thus, there is very little temporal difference between income and expenditures, and many STLAs have come to view them as one and the same. In this confused context, the "draw-down," collected by OLP as an expenditures measure, could have been provided by many STLAs as the income measure in the NCES survey. Hence, there would have been duplication of NCES *income* items 154-163 by the OLP's *expenditures* data.

Another concept affected by the CMIA was the federal allotment. Under the traditional framework, many viewed the federal allotment as the measure of income. Some STLAs may still perceive it as such, and may have provided the allotment as the measure of income in Part K. The OLP kept records on the allotments. Thus, there also could have been duplication of items 154-163 by the OLP's federal allotment data.

If either the federal allotment/award data or the Treasury account draw-down data were used by STLAs as a measure of income in the NCES survey, there could have been duplication between the survey and the OLP material for Titles I and III (the OLP did not collect annual Title II data). This evaluation attempted to discern which measure, if either, was used by the survey. An examination of the survey instructions for Part K, however, revealed that there was no clear indication of which measure of income should be used by the STLAs, possibly resulting in inconsistent data. If the measures of income used had differed significantly among STLAs, this inconsistency itself would have prevented duplication, at least for the survey year under scrutiny, fiscal year 1995.

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[5] *See Terms Used in this Report, p. iii.*

2.1.3 Research Findings

Although on the face of the survey instrument, there appears to be no indication as to which measure is requested, there might have been an unwritten consensus among the STLAs and the NCES about this. The evaluation unsuccessfully attempted to detect such a consensus. To determine whether the respondents had interpreted the former question 21 (in the fiscal year 1997 survey, question 20) as requesting the federal allotment or the draw-down, their actual responses to the fiscal year 1995 survey were examined.

For each title, the STLA income and expenditures data from the NCES survey were tabulated with the federal LSCA allotment data from the OLP for that period. In addition phone interviews with twenty-eight respondents gathered information about how they interpreted "income" and "expenditures" (see Section 7.1 for details). Merging the findings of both research results, twenty-seven of the STLAs interpreted the former question 21 as asking for the draw-down, sixteen interpreted it as asking for the federal allotment, three exhibited the same data for the federal allotment, income, and expenditures, and five remain a mystery. See Table 2-1.

The analysis revealed that different STLAs had answered items 154-163 differently. The fact that the STLAs' responses to the income question were dramatically split between providing the draw-down and providing the federal allotment, demonstrated that the former question 21 was vague as to the measure of income to be used. Thus, no matter which measure of income was purportedly used by the NCES survey, there cannot be said to be full duplication between the NCES and the OLP for fiscal year 1995 income data, nor probably for any survey year until the definition of "income" is clarified.

Moreover, even among the vast majority of those STLAs that used the draw-down in answering question 21, the survey and OLP data failed to match, presumably because of the reporting period differences.[6] (See Table 2-2, which compares NCES survey income data with OLP expenditures data, for those 41 STLAs for whom both NCES and OLP data were available.) Nonetheless, three STLAs whose reporting period differed from the federal had matching data, while the three STLAs that do share the federal fiscal year as their reporting period, did not exhibit matching data. This underscores that there was no duplication of the fiscal year 1995 data.

2.1.4 Future Potential for Duplication of Income Data Collection

Although there was no duplication regarding the OLP and NCES data for fiscal years 1994-1996, the specter of duplication may reappear in fiscal year 1998 since the IMLS has assumed responsibility for federal library programs. It is likely that the IMLS will use the draw-down as its measure of "income" because LSTA grants are likely to be governed by the CMIA. If the NCES survey were to follow the recommendations of Part II it would employ the draw-down as well. If so, the difference in the data would be based primarily on the reporting period inconsistency,[7] a basis which might not be sufficient to prevent a finding of duplication by the OMB.[8] This is one reason for the recommendation that a collaborative collection effort between the NCES and the IMLS be considered.

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[6] *Further discussion of this inconsistency occurs in Section 3.1.4.*

[7] *The Library Services and Technology Act implicitly contemplates the regulatory period coinciding with the federal fiscal year. Its reference to the specific date during which all state plans applications must be submitted, April 1, 1997, suggests this. See 20 U.S.C. § 9134(a)(1) (1998).*

[8] *Such a finding could affect future STLA survey funding.*

Table 2-1. NCES State Library Expenditures and Income, and Federal Allotments Under the Library Services and Construction Act, by Title and State: Fiscal Year 1995 (in thousands)

	Title I			Title II			Title III		
State	Expenditures	Income	Allotment	Expenditures	Income	Allotment	Expenditures	Income	Allotment
Alabama	$1,464	$1,464	$1,335	$78	$78	$294	$301	$301	$377
Alaska	352	362	362	24	128	128	124	88	88
Arizona	1,267	1,267	1,267	494	494	282	357	357	357
Arkansas	918	857	857	167	212	212	208	235	235
California	8,659	8,659	8,661	1,547	1,547	1,547	2,093	2,093	2,555
Colorado	1,151	1,151	1,167	244	244	265	271	271	327
Connecticut	1,158	1,088	1,088	357	252	252	253	304	304
Delaware*	349	316	390	195	194	132	54	52	96
District of Columbia	329	357	357	24	127	127	65	87	87
Florida	3,826	3,908	3,908	626	734	734	937	1,142	1,142
Georgia*	1,945	1,948	2,075	18	18	421	437	437	597
Hawaii	306	518	518	67	154	154	106	134	134
Idaho	533	533	498	311	311	151	79	79	129
Illinois	3,409	3,371	3,371	512	642	642	883	983	983
Indiana	1,093	1,749	1,749	839	365	365	319	500	500
Iowa	1,153	1,153	963	71	71	230	239	239	267
Kansas	903	886	886	209	217	217	264	244	244
Kentucky*	1,348	1,356	1,227	602	602	276	306	308	345
Louisiana	1,465	1,465	1,364	577	577	299	205	205	386
Maine	536	536	536	157	157	157	140	140	140
Maryland	1,546	1,546	1,546	330	330	330	440	440	440
Massachusetts	1,764	1,830	1,830	670	379	379	424	525	525
Michigan	3,392	3,392	2,769	740	740	539	785	785	804
Minnesota	1,463	1,425	1,425	383	309	309	338	404	404
Mississippi	821	821	916	375	375	223	249	249	253
Missouri	1,287	1,287	1,619	532	532	343	534	534	462
Montana*	415	415	428	210	151	139	78	72	108
Nebraska	565	640	636	126	156	175	166	147	170
Nevada*	568	568	577	292	292	164	143	123	152
New Hampshire	608	505	505	193	152	152	128	131	131
New Jersey	2,334	2,334	2,336	464	464	465	558	558	675
New Mexico	579	579	638	4	4	175	158	158	170
New York	5,446	5,133	5,133	945	944	944	1,311	1,507	1,507
North Carolina	1,913	1,913	2,083	195	195	422	443	443	600
North Dakota	372	372	372	129	129	129	91	91	91
Ohio	2,604	2,783	3,207	798	387	614	838	680	934
Oklahoma	1,041	1,076	1,076	357	371	250	247	300	300
Oregon	799	799	1,022	246	246	241	237	237	284
Pennsylvania	3,462	3,466	3,466	1,321	659	659	991	1,011	1,011
Rhode Island	548	548	471	100	100	146	95	95	121
South Carolina	1,229	1,229	1,187	125	125	269	263	263	334
South Dakota	413	394	394	151	133	133	95	98	98
Tennessee	1,577	1,582	1,582	228	336	336	374	451	451
Texas	4,854	4,847	5,088	936	1,050	936	1,026	1,127	1,493
Utah	643	643	704	80	80	186	135	135	190
Vermont	369	369	356	174	174	127	77	77	86
Virginia	1,849	1,850	1,960	671	671	401	190	191	563
Washington	1,870	1,940	1,625	460	460	344	412	435	464
West Virginia	487	487	693	185	185	184	187	187	187
Wisconsin	1,512	1,512	1,566	251	251	334	378	378	446
Wyoming	356	356	327	69	69	122	67	67	78

Notes: 1. Bold indicates a state library that used the draw-down as the measure of income; italics indicate one that used the federal allotment.
2. A "*" Indicates a state library whose expenditures and income did not match, but that, by phone, confirmed the draw-down as the income measure.

Sources: Income and expenditures data: *State Library Agencies, Fiscal Year 1995*, NCES 97-434; Federal allotment data: Dept. Ed., Office of Library Programs.

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Table 2-2. NCES State Library Income and Expenditures, and Difference as a Percentage of Expenditures for Titles I and III by State: Fiscal Year 1995
(in thousands)

State	Title I			Title III		
	NCES Income	OLP Expenditures	Percent Difference	NCES Income	OLP Expenditures	Percent Difference
Alabama*	$1,464	$1,492	1.9	$301	$306	1.6
Alaska	362	350	-3.4	88	115	23.5
Arkansas	857	759	-12.9	235	171	-37.4
Colorado	1,151	1,151	0.0	271	271	0.0
*Connecticut**	1,088	1,200	9.3	304	254	-19.7
District of Columbia	357	320	-11.6	87	51	-70.6
*Florida**	3,908	3,914	0.2	1,142	937	-21.9
Georgia*	1,948	1,995	2.4	437	459	4.8
*Idaho**	533	533	0.0	79	115	31.3
*Illinois**	3,371	2,963	-13.8	983	716	-37.3
Iowa	1,153	820	-40.6	239	154	-55.2
Kansas	886	878	-0.9	244	211	-15.6
Kentucky*	1,356	1,263	-7.4	308	323	4.6
Louisiana	1,465	1,368	-7.1	205	320	35.9
Maryland*	1,546	1,578	2.0	440	366	-20.2
*Massachusetts**	1,830	1,788	-2.3	525	509	-3.1
Michigan*	3,392	3,350	-1.3	785	641	-22.5
Mississippi	821	834	1.6	249	227	-9.7
Missouri	1,287	1,103	-16.7	534	535	0.2
Montana*	415	425	2.4	72	95	24.2
Nebraska*	640	643	0.5	147	159	7.5
*New Hampshire**	505	529	4.5	131	153	14.4
New Jersey	2,334	2,571	9.2	558	544	-2.6
New Mexico	579	602	3.8	158	136	-16.2
*New York**	5,133	5,341	3.9	1,507	1,279	-17.8
North Carolina*	1,913	2,047	6.5	443	455	2.6
North Dakota	372	372	0.0	91	91	0.0
Ohio — ?	2,783	2,775	-0.3	680	532	-27.8
Oklahoma — ?	1,076	1,086	0.9	300	274	-9.5
*Pennsylvania**	3,466	3,784	8.4	1,011	1,085	6.8
Rhode Island	548	491	(12)	95	121	21
South Carolina	1,229	1,279	3.9	263	287	8.4
South Dakota	394	436	9.6	98	122	19.7
*Tennessee**	1,582	1,577	-0.3	451	374	-20.6
Texas — ?	4,847	5,025	3.5	1,127	1,157	2.6
Utah	643	657	2.1	135	122	-10.7
Vermont	369	348	-6.0	77	68	-13.2
Virginia	1,850	2,034	9.0	191	474	59.7
Washington — ?	1,940	1,608	-20.6	435	584	25.5
Wisconsin*	1,512	1,626	7.0	378	428	11.7
Wyoming	356	356	0.0	67	67	0.0

Notes: 1. **Bold** indicates a state library that supplied the draw-down as the measure of income; *italics* indicate a state library that supplied the federal allotment; a "?" indicates uncertainty as to which measure was used.
2. A "*" Indicates a state library that indicated by phone which measure it used.
3. Only the 41 STLAs for whom both 1995 NCES income and 1995 OLP expenditures data were available are listed.

Sources: Income data: *State Library Agencies, Fiscal Year 1995*, NCES 97-434; Expenditures data: U.S. Dept. Ed., Office of Library Programs.

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CHAPTER THREE. COMPARISONS OF EXPENDITURES FOR LSCA TITLES I AND III FUNDS (NCES ITEMS 190-200)

Section 3.0 Introduction

This chapter compares the NCES survey, Part M, items 190-200, with the OLP annual reports to assess whether the OLP also collected the data referenced in those items. Section 3.0 explains how each agency collected expenditures information from the STLAs. The description of Part M refers to the fiscal year 1995 survey. Section 3.1 compares the data from the two collections, focusing on three main areas in which the instruments differed.

3.0.1 Principal Findings

1. Both the NCES and the OLP collected data from each state library agency on LSCA expenditures.

2. Because of lack of annual collection of Title II expenditures data by the OLP, incompatible expenditures groupings, inconsistent reporting periods, and different purposes for the collections, there was no duplication in the collection of LSCA expenditures between the NCES and the OLP for fiscal year 1995. Nor was duplication likely to have occurred for fiscal years 1994 and 1996.

3.0.2 Description of the NCES Survey, Part M

The NCES collects LSCA Titles I through III expenditures data through items 190-200 of the data collection instrument. The data are collected annually, and the reporting period used is the fiscal year of the STLA's state, typically from July 1st to June 30th. Exceptions are: Alabama, District of Columbia, and Michigan (October 1st to September 30th); New York (April 1st to March 31st); and Texas (September 1st to August 31st). The STLAs are asked to aggregate the expenditures and report them, grouped by the categories of statewide services, grants, and administration. The NCES instrument collects no information on expenditures by project. Nor does it require the STLAs to exclude expenditures of carryover funds.

A description of the Part M items follows (see Appendix A, Sections A-1.4 and A-1.5):

- Items 190, 191, and 192 request Title I expenditures in the areas of statewide services, grants, and administration, respectively.

- Items 194 and 195 request Title II expenditures for grants and administration, respectively.

- Items 197 and 198 collect Title III expenditures for statewide services and grants, respectively.

- Items 193, 196, 199 and 200 request the STLA to calculate totals. Items 193, 196, and 199 ask for expenditures totals for each title, while item 200 requests the sum of items 193, 196, and 199.

The NCES does not collect information on Titles VI-VIII expenditures.

3.0.3 Description of the Performance Section of the OLP Annual Report

Section 2.0.3 described the fiscal portion of the annual report. This section describes the performance portion.

Performance Section

The second section of the OLP annual report was the performance section, which contained the Titles I and III individual Project Reports, and Title II Project Completion Reports (see Appendix B, pp. C2-C3). The STLA completed a separate Project Report for each Title I or Title III project for which it received a grant award. The Project Report included items which asked the STLA to identify the project; indicate whether it was under Title I or III; indicate which agency administered the project; list the target area and number of people served under the project; provide a short narrative explaining to what extent the project met its goals; and provide total expenditures for the project in the current fiscal year, by source (LSCA, state, or local). The expenditures for each project were summed by the STLA to arrive at the categorical expenditures data for the fiscal section of the annual report.

Title II expenditures data were provided in a separate Completion Report which was filled out for each construction project and added to the OLP annual report for the fiscal year in which the project was completed. The Completion Report required the STLA to identify the construction project and provide its total expenditures over the entire life of the project, broken down by source (LSCA, other federal, state and local). The Completion Report did not require the STLA to provide an annual breakdown of Title II expenditures.

Section 3.1 Comparison of the NCES and OLP Expenditures Data

3.1.1 Introduction

Section 3.1 compares the LSCA expenditures data collected by the NCES with that collected by the OLP. The section is divided into three subsections, each examining a particular aspect in which the two data collection instruments differed. The following chart summarizes the findings.

Data Element	The NCES Survey	The OLP Annual Reports
Annual collection for Titles:	I, II, and III	I and III
Expenditures Groupings	By statewide services, grants, LSCA administration	By project
Reporting period	Individual state fiscal year (Typically, ending June 30th)	Federal fiscal year (ending September 30th)

3.1.2 Comparison: Annual Collection of Titles I through III Data

The NCES collects annual expenditures data for Titles I, II, and III, while the OLP collected annual expenditures data for Titles I and III only. Thus there could not have been duplication of data collection with regard to Title II expenditures.

3.1.3 Comparison: Expenditures Groupings

Perhaps the most important reason for the lack of duplication of LSCA expenditures between the two agencies was the incompatible groupings for which they were collected. This section compares the definitions of the groupings, and the items of the data collection instruments of the NCES and the OLP which collected information pertaining to the groupings. Because the groupings were incompatible, there was no duplication between the NCES and the OLP relative to Titles I and III expenditures. See Section 6.1 discussing the relationships between Parts L and M.

For each of Titles I through III, the NCES collects the expenditures data in combinations drawn from three categories: LSCA administration, statewide services, and grants. The expenditures data cannot be broken down into smaller categories, such as projects.

The OLP used a project format to collect the expenditures data. If the OLP had collected the expenditures data in such a format that it would be possible to classify its data according to the NCES categories of LSCA administration, statewide services, and grants, the potential for duplication might have existed. This depended on whether the expenditures categories and corresponding definitions used by each instrument were compatible.

To determine compatibility, this section compares the NCES's definitions of LSCA administration, statewide services, and grants, to similar terms from the OLP reports. The corresponding data are also compared.

LSCA Administration: Category Definitions and Comparisons

Definitions

NCES Items 192 and 195: LSCA Administration. NCES survey item 49 of Part D provides the following definition of LSCA administration: "Includes determining compliance with eligibility criteria and performance standards, overseeing processes through which grant recipients are determined, announcing grant recipients and disbursing funds, monitoring and receiving reports from grant recipients, submitting plans and reports to Library Programs, and other activities involved in the management of financial assistance provided by the federal government to libraries under the [LSCA]" (see Section A-1.1).

The data cannot be broken down into smaller categories because they are aggregated before collection (see Sections A-1.4 to A-1.5). There is also an LSCA administration category under Title II, but there is no OLP analog for this category under Title II.

OLP Grant Activity Category 18, LSCA Administration. This category of the fiscal report is determined by summing all of the Title I funds expended on LSCA administration projects. Under LSCA regulations, administrative costs must fall into four categories: 1) administration of the state plan; 2) statewide planning for and evaluation of library services; 3) dissemination of information concerning library services; and 4) activities of the state advisory council on libraries or other advisory groups necessary to assist the STLA in carrying out its functions (34 CFR § 770.46(c) (1997) (see also Appendix B, pp. C4-C6).

Upon comparing the definitions, it becomes apparent that the NCES definition for administration is narrower than that used by the OLP. Besides submitting grant applications and monitoring grant program activities, the OLP's definition included statewide planning and evaluation services; dissemination of information about library services (publicity); and the activities of the state advisory council on libraries. The NCES survey defines administration in Part D, where it is listed as one of the library services provided by the STLAs. The definition excludes planning services and publicity, as those two types of service are listed separately in Part D (items 58 and 65). It also excludes the activities of the state advisory council, which are not library services at all. Thus, simply by reading the definitions one observes that LSCA administration means something different in each instrument.

Data Comparison

In the OLP annual reports, both Titles I and III were divided into categories of grant activity programs, under which each project was classified. One of the grant activity programs was LSCA administration, under which all LSCA Title I administration expenditures were reported (category "18").[9] If these data matched the NCES expenditures for Title I Administration (item 192), there might have been duplication between the survey and the OLP materials for that item, at least in the cases of Alabama, District of Columbia, and Michigan.

In an experiment that attempted to match NCES and OLP Title I Administration expenditures, two of the three, District of Columbia, and Michigan, exhibited matching data (see Table 3-1).[10] However, thirteen of the thirty-eight STLAs that *did not* use the federal fiscal year had data that *did* match.[11] The results of this data comparison are inconclusive as to whether "LSCA administration" captures different expenditures in each instrument.

However, in view of the obvious difference in "LSCA administration" definitions between the NCES and the OLP, this evaluation still concludes that the two expenditures groupings for LSCA administration were incompatible. See Section 7.2.1 for further details.

NCES's Statewide Services and Grants Categories Versus OLP's "Statewide" and "Agency Administering Project" Items: Definitions and Comparisons

Definitions

NCES Items 190 and 197: Statewide Services. Item 190 requires the STLA to report the amount of Title I funds it expended for "libraries and individuals throughout the state." Statewide services are also described in item 183 as services in which the "primary

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[9] For example, in fiscal year 1995, Connecticut State Library had three LSCA administration projects: LSCA Administration, Construction Consulting, and Advisory Council for Library Planning and Development. The expenditures from all three were summed to derive Title I expenditures for LSCA Titles I through III Administration.

[10] However, the NCES survey reported the expenditures rounded to the nearest thousand and District of Columbia had expended small amounts on LSCA administration ($5,000). Thus, a perceived match in the case of District of Columbia is less meaningful than a perceived match for Michigan, which expended $34,000.

[11] This could, of course, be due to other reasons. For example, the 13 states whose data matched may not have had significant LSCA expenditures in the areas of statewide planning and evaluation of library services, dissemination of information concerning library services, or activities of the state advisory council.

service area is all or a significant portion of the state" (see Appendix A).

OLP Project Report Item 3: "Target Area Served By Project." Item 3 of the OLP project report required the STLA to describe the population served by the project. STLAs typically respond either by naming a particular geopolitical designation, such as a particular county, township, or library service area; or by designating the project as "statewide" (see Appendix B).

NCES Item 191: Grants. Item 191 requires the STLA to report the amount of Title I funds it distributed "to recipients who [met] eligibility criteria specified by LSCA and the state" (see Appendix A).

OLP Project Report Item 1: "Agency Administering Project." This item required the STLA to state which governmental agency administered the project. Typically, the STLA responded either by naming a particular library, library co-op, or system; or by naming itself as the project administrator. If the STLA responded in the former manner, the project might have appeared analogous to a "Grant" under item 191 of the NCES survey (see Appendix B).

Data Comparison

Each OLP Project Report required the STLA to state the agency administering the project and its target (items 1 and 3 of the OLP project report). The evaluation examined the project reports of several STLAs. All responded to item 3 by entering either "statewide" or a specific geopolitical area, such as township, city, county, or library service area. By integrating the responses to items 1, and 3, one might have expected to be able to classify each OLP project in terms of NCES "statewide services" or grants. If so, the project expenditures in each category could have been summed to derive total expenditures for each category of statewide services and grants. The ability to do this would have suggested the possibility of duplication between NCES and OLP expenditures data.

However, an examination of selected performance reports discovered that whether such classifications can be made depends on the types of projects an STLA supports. Some types of projects have both a statewide and a grants component, some contain only a grants component, while others are only statewide. All three situations exist in the projects of the Library Preservation Office of Connecticut State Library. It uses its portion of LSCA funding to provide consulting and continuing education, which are statewide services, as well as competitive grant programs. The Connecticut State Library also funds several local projects under the program activity category of "Public Library Services to Areas with Inadequate Services," each of which is insular and requires no action whatsoever from the STLA other than administrative activities. These types of projects would have only a grants component. Finally, the Connecticut State Library also operates projects that are completely statewide, such as improving the Library for the Blind and Physically Handicapped.

Thus, whether an STLA's project reports could be used to categorize its expenditures in terms of statewide services or grants depends on the types of projects the STLA operates. Moreover, the STLAs had wide latitude under the LSCA to develop any configuration of statewide services and grants that they chose, so long as the projects were consistent with their long-range plan. Some STLAs, such as Texas and the District of Columbia, report that they do not offer any statewide services, characterizing all LSCA expenditures as administration or grants. Many STLAs may not support any projects that have both statewide and grants components, but because the project report form did not require the STLA to distinguish between funds expended on statewide services and funds expended on grants, there is no way to identify those STLAs without reading through the voluminous performance reports of each.

An experiment using respondent data reflected that whether a project can be classified as entirely statewide or as a grant depends on the STLA's projects. Five jurisdictions, Alabama, Connecticut, District of Columbia, Idaho, and Michigan, were examined. Items 1 and 3 of the project reports for each STLA were read, and the project was classified accordingly. If the project's administering agency was the STLA, and the target area served was listed as statewide, the project was classified as a statewide service. If the project's administering agency was a library or system of libraries, and the target area served was a general purpose government or library service area, the project was classified as a grant. After all of the projects were classified, the expenditures for each of the three categories were summed. The result was that for none of the jurisdictions did the proportions of expenditures in the three categories attained through the procedure

above, match those listed by the STLA in the NCES survey (see Table 3-2). See Section 7.2.1 for further details.

This subsection has attempted to illustrate that it is impossible to derive the expenditures groupings required by either agency by manipulating the data of the other, because the groupings are incompatible. It is impossible to collect project expenditures data from the NCES survey, because the survey simply does not collect any fiscal data on individual projects. At the same time, it is impossible to collect the NCES expenditures groupings from the OLP materials because the project reports do not require the STLAs to report each project's expenditures in terms of statewide services and grants, and because the term "LSCA administration" is defined differently by each agency.

Thus, there was no duplication of LSCA expenditures data by the survey and the OLP at the break-out levels required by each. The only level of expenditures that had potential for duplication between the NCES survey and the OLP reports was that of *total expenditures*, and as the next section demonstrates, the inconsistent reporting periods prevented duplication even at this level.

3.1.4 Comparison: Reporting Period

The NCES survey allows the STLAs to report all data according to their state fiscal year, while the OLP required STLAs to report LSCA data according to the federal fiscal year. Because most STLAs (46) use the period of July 1st through June 30th as their fiscal year, while the federal fiscal year begins October 1st and ends September 30th, the reporting periods of the collection instruments were inconsistent, causing incompatible data.

For an example relating to the fiscal year 1995 collections, both reporting periods had in common only the months from October 1994 through June 1995. The three months not shared by each covered different years: The 1995 federal fiscal year's July through September months collected data for calendar year 1995, while under the 1995 state fiscal year, those three months were in calendar year 1994. Only the STLAs of Alabama, District of Columbia, and Michigan presented examples in which the reporting period exactly matched the federal fiscal year, making a perfect comparison of data possible.

An experiment at the total expenditures level confirmed this analysis. (See Section 7.2.2 for further details.) Forty-one STLAs were examined. The expenditures data from the OLP reports were summed to derive total expenditures for Titles I and III, respectively. These totals were compared with the Titles I and III expenditures presented in *State Library Agencies, Fiscal Year 1995*, (see Table 3-3). The results were that 37 STLAs exhibited noncomparable data, including the three STLAs that use the federal fiscal year as their reporting period. In addition, a surprising four STLAs not using the federal fiscal year, *did* experience matching NCES and OLP expenditures data. These four STLAs may have reported their expenditures along the federal fiscal year, either by mistake or because it was easier. Also, the matching data could simply have been a coincidence: The STLAs could have had the same expenditures in July through September of 1994 as in the same period of 1995.

The three jurisdictions that use the federal fiscal year present more of a problem, although the data diverged by at most three percent. It is possible that because each STLA often completes and returns each data collection instrument at a different time, there could have been discrepancies between the instruments if one was updated after the other had been returned. This was true in the cases of Alabama and Michigan: Each submitted its NCES form before the end of January 1996, and each had to revise the expenditures portion of its the OLP annual report in May of 1996.

Table 3-1. State Library Expenditures for Administration of the Library Services and Construction Act: Comparison of National Center for Education Statistics (NCES) and Office of Library Programs (OLP) Data and Percent Difference by State: Fiscal Year 1995 (in thousands)

State	NCES	OLP	Percent Difference
Alabama	$15	$10	-50.0
Alaska	0	0	0.0
Arkansas	15	15	0.0
Colorado	38	38	0.0
Connecticut	2	3	33.3
District of Columbia	5	5	0.0
Florida	61	61	0.0
Georgia	15	53	71.7
Idaho	39	48	18.8
Illinois	24	25	4.0
Iowa	79	64	-23.4
Kansas	34	42	19.0
Kentucky	44	89	50.6
Louisiana	60	60	0.0
Maryland	43	36	-19.4
Massachusetts	152	148	-2.7
Michigan	34	34	0.0
Mississippi	50	66	24.2
Missouri	34	35	2.9
Montana	43	43	0.0
Nebraska	36	42	14.3
New Hampshire	30	21	-42.9
New Jersey	140	43	-225.6
New Mexico	0	0	0.0
New York	341	340	-0.3
North Carolina	39	32	-21.9
North Dakota	24	12	-100.0
Ohio	121	137	11.7
Oklahoma	0	0	0.0
Pennsylvania	112	140	20.0
Rhode Island	0	0	0.0
South Carolina	23	21	-9.5
South Dakota	31	33	6.1
Tennessee	95	95	0.0
Texas	299	299	0.0
Utah	31	31	0.0
Vermont	5	5	0.0
Virginia	101	34	-197.1
Washington	27	124	78.2
Wisconsin	104	135	23.0
Wyoming	6	6	0.0

Note: 1. The difference is expressed as a percentage of OLP expenditures; the percentages were taken after rounding.
2. **Bold** indicates a jurisdiction whose fiscal year coincides with the federal fiscal year.
3. Italics indicate a jurisdiction whose fiscal year differs from the federal, but whose LSCA administration costs match between the NCES and the OLP.

Sources: NCES Administration: *State Library Agencies, Fiscal Year 1995*, NCES 97-434; OLP Administration: Dept. Ed., Office of Library Programs.

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Table 3-2. State Library Expenditures under the Library Services and Construction Act: Expenditure Category by Program Office and Title for Selected States: Fiscal Year 1995 (in thousands)

State	Statewide Services		Grants		Administration		Total	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Title I								
Alabama								
NCES	$578	39.5	$871	59.5	$15	1.0	$1,464	100.0
OLP	723	48.5	759	50.9	10	0.7	1,492	100.0
Connecticut								
NCES	860	74.3	295	25.5	2	0.2	1,158	99.9
OLP	1,196	59.8	0	0.0	3	0.2	2,000	60.0
DC								
NCES	0	0.0	324	98.5	5	1.5	329	100.0
OLP	315	98.4	0	0.0	5	1.6	320	100.0
Idaho								
NCES	230	43.2	264	49.5	39	7.3	533	100.0
OLP	249	46.7	236	44.3	48	9.0	533	100.0
Michigan								
NCES	95	2.8	3,263	96.2	34	1.0	3,392	100.0
OLP	43	1.3	3,272	97.7	34	1.0	3,350	100.0
Title III								
Alabama								
NCES	126	41.9	175	58.1	N/A	N/A	301	100.0
OLP	283	92.5	23	7.5	N/A	N/A	306	100.0
Connecticut								
NCES	178	70.4	75	29.6	N/A	N/A	253	100.0
OLP	254	100.0	0	0.0	N/A	N/A	254	100.0
DC								
NCES	0	0.0	65	100.0	N/A	N/A	65	100.0
OLP	51	100.0	0	0.0	N/A	N/A	51	100.0
Idaho								
NCES	40	50.6	38	48.1	N/A	N/A	79	98.7
OLP	49	42.6	66	57.4	N/A	N/A	115	100.0
Michigan								
NCES*	17	2.4	690	97.6	N/A	N/A	707	100.0
OLP	144	20.4	563	79.6	N/A	N/A	707	100.0

* The Michigan State Library revised its data after publication of *State Library Agencies, Fiscal Year 1995.*

Notes: 1. Percentages may not sum to 100 due to rounding.

2. See Section 7.2.1 for details on how these five STLAs were selected for this comparison.

Sources: *State Library Agencies, Fiscal Year 1995*, NCES 97-434; Department of Education, Office of Library Programs.

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Table 3-3. State Library Expenditures: Titles I and III of the Library Services and Construction Act and Library Program Office by State: Fiscal Year 1995 (in thousands)

State	Title I			Title III		
	NCES Expenditures	OLP Expenditures	Percent Difference	NCES Expenditures	OLP Expenditures	Percent Difference
Alabama	$1,464	$1,492	1.88	$301	$306	1.63
Alaska	352	350	-0.57	124	115	-7.83
Arkansas	918	759	-20.95	208	171	-21.64
Colorado	1,151	1,151	0.00	271	271	0.00
Connecticut	1,158	1,200	3.50	253	254	0.39
District of Columbia	329	320	-2.81	65	51	-27.45
Florida	3,826	3,914	2.25	937	937	0.00
Georgia	1,945	1,995	2.51	437	459	4.79
Idaho	533	533	0.00	79	115	31.30
Illinois	3,409	2,963	-15.05	883	716	-23.32
Iowa	1,153	820	-40.61	239	154	-55.19
Kansas	903	878	-2.85	264	211	-25.12
Kentucky	1,348	1,263	-6.73	306	323	5.26
Louisiana	1,465	1,368	-7.09	205	320	35.94
Maryland	1,546	1,578	2.03	440	366	-20.22
Massachusetts	1,764	1,788	1.34	424	509	16.70
Michigan	3,392	3,350	-1.25	785	641	-22.46
Mississippi	821	834	1.56	249	227	-9.69
Missouri	1,287	1,103	-16.68	534	535	0.19
Montana	415	425	2.35	78	95	17.89
Nebraska	565	643	12.13	166	159	-4.40
New Hampshire	608	529	-14.93	128	153	16.34
New Jersey	2,334	2,571	9.22	558	544	-2.57
New Mexico	579	602	3.82	158	136	-16.18
New York	5,446	5,341	-1.97	1,311	1,279	-2.50
North Carolina	1,913	2,047	6.55	443	455	2.64
North Dakota	372	372	0.00	91	91	0.00
Ohio	2,604	2,775	6.16	838	532	-57.52
Oklahoma	1,041	1,086	4.14	247	274	9.85
Pennsylvania	3,462	3,784	8.51	991	1,085	8.66
Rhode Island	548	491	-11.61	95	121	21.49
South Carolina	1,229	1,279	3.91	263	287	8.36
South Dakota	413	436	5.28	95	122	22.13
Tennessee	1,577	1,577	0.00	374	374	0.00
Texas	4,854	5,025	3.40	1,026	1,157	11.32
Utah	643	657	2.13	135	122	-10.66
Vermont	369	348	-6.03	77	68	-13.24
Virginia	1,849	2,034	9.10	190	474	59.92
Washington	1,870	1,608	-16.29	412	584	29.45
Wisconsin	1,512	1,626	7.01	378	428	11.68
Wyoming	356	356	0.00	67	67	0.00

Notes: 1. The "percent difference" is expressed as a percentage of OLP expenditures.
2. **Bold** indicates a state library whose fiscal year differs from the federal, but whose NCES and OLP expenditures match.
3. Italics indicate a state library whose fiscal year matches the federal.

Sources: NCES expenditures: *State Library Agencies, Fiscal Year 1995*, NCES 97-434; OLP expenditures: Department of Education, Office of Library Programs.

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CHAPTER FOUR. FINDING AND RECOMMENDATIONS OF PART I

Section 4.1 Principal Finding of Part I

There was no duplication between the NCES and the OLP in their collection of LSCA financial data for fiscal year 1995. Neither was duplication likely to have occurred during fiscal years 1994 or 1996.

Section 4.2 Recommendation

Some of the impetus behind Part I was the OMB memorandum discussed in Section 1.2, which had identified possible areas of duplication between the NCES survey and the OLP materials. While Part I found no duplication, the issue might arise in the future regarding the NCES survey and IMLS materials. This section addresses that possibility.

There exists potential for consolidating data collection efforts relating to the LSTA financial data. The Steering Committee and the IMLS Task Force may wish to discuss whether this would be a viable option. The following issues would be relevant in considering this consolidation:

a. *Annual collection of fiscal data.* Although there will no longer be eight distinct titles under the LSTA, it may still be important for the NCES to collect annual fiscal information for *all* expenditures, including those for construction projects that would have been under Title II.

b. *Reporting period inconsistency.* In order for there to be a coordinated data collection effort, one agency would have to change reporting periods, at least for the fiscal section of its materials. If the NCES survey were required to convert, the Steering Committee would have to decide whether it would be acceptable: (1) to present all survey data according to the federal fiscal year, or (2) to present some data according to the state fiscal period and some according to the federal.

c. *Expenditures groupings.* Under a consolidated collection scheme, the agency that collected the data for both would be required to construct its instrument such that it collected the data in both groupings of expenditures: by project and by statewide services, grants, and administration.

d. *Income data and expenditures.* The agencies should discuss whether to present the draw-down as the measure of income or expenditures.

e. *Different Purposes for Data Collection.* The two agencies will collect the data for fundamentally different purposes: The NCES will collect the data in order to compile statistical and analytical resources; while the IMLS will use the data in administration of the LSTA. The agencies should discuss the impact of this difference on data collection.

PART II: AN EXAMINATION OF THE DEFINITIONS OF SELECTED FINANCIAL ITEMS

CHAPTER FIVE. AN EXAMINATION OF THE INCOME AND EXPENDITURES DEFINITIONS OF THE STATE LIBRARY AGENCIES SURVEY

Section 5.0 Introduction

This chapter examines the definitions of "income" and "expenditures" used in Parts K, L, and M of the NCES State Library Agencies Survey. Section 5.0 enumerates the findings and recommendations of this chapter. Section 5.1 outlines questions 20 through 22, which provide the current meanings of "income" and "expenditures" in the survey. The descriptions of these questions refer to the fiscal year 1997 survey instructions. Section 5.2 refers to the analysis performed in Chapter Two to discuss issues affecting the meanings of "income" and "expenditures." Section 5.3 recommends modifications to questions 20 through 22 in order to clarify the meanings of the terms.

5.0.1 Principal Findings

1. The lack of a precise definition of income in Part K has created confusion on the parts of some STLAs regarding which measure of income should be used: the federal allotment; or the amount "drawn down" from the account at the Office of Library Programs.

2. The lack of a precise definition of expenditures in Parts L and M may have created some confusion over how to report expenditures.

5.0.2 Recommendations[12]

1. The U.S. Treasury account draw down could be used as the income measure in Part K, and actual expenditures could be used as the expenditures measure in Parts L and M of the survey. These two amounts may be equal for most STLAs.

2. A new question collecting LSTA federal allotment (or award) data could be added to Part M. The question could also request the total amount of prior-year carryover funds and current year funds expended. This would allow the data user to compare the amount of funds set aside for each STLA as well as the amount actually expended. These federal allotment and expenditures data would be reported along the federal fiscal year.

Section 5.1 Definitions of Income and Expenditures Items

The instructions for question 20 of Part K, question 21 of Part L, and question 22 of Part M, read, in pertinent part (see Appendix A, Sections A-2.2 to A-2.4):

> Question 20: "Enter in the spaces provided total funds received as income by the STLA during the reporting period specified in items 022-023. EXCLUDE carryover funds."
>
> Question 21: "Enter in the spaces provided total STLA expenditures, by source of funds and type of expenditure. Include all LSCA expenditures (Titles I-VIII). Include expenditures for allied operations only if the expenditures are from the STLA budget."
>
> Question 22: "Enter in the spaces provided LSCA expenditures from Titles I, II, and III, by [the] following types of expenditure. These expenditures should also be reported in Part L."

Section 5.2 Analysis of Income and Expenditures Items

The three questions cited in Section 5.1 are the only references to the general terms "income" and "expenditures." The survey instructions provide no definitions of these two terms. Before the Cash Management Improvement Act, this issue would not have arisen. As discussed in Chapter Two, however, the concepts of these terms have changed since that Act came into being (see Section 2.1.2).

In Part K, STLAs are now uncertain whether to provide the draw-down or the federal allotment as the measure of income (see Section 2.1.3). The

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[12] *See Section 5.3 for actual wording of recommended changes.*

expenditures items are in turn affected by the lack of certainty about the income items. For example, if an STLA provided the draw-down in Part K, it would seem redundant to also provide it in Part M. However, if the STLA provided the federal allotment in Part K, the draw-down would seem the logical input for Part M. Thus, confusion about Part K carries over to L and M.

The confusion cited in Section 2.1.3 demands further clarification of the definitions of income and expenditures. There are two factors to consider in determining which measures should be used in Parts K, L, and M. First, *State Library Agencies* presents the income information from state and local sources as well as federal. The state and local sources do not use anything comparable to the federal allotment as their income measure. They refer to funds actually received. Thus, if the federal allotment, which describes funds that were made available rather than actually received, were used in Part K, the state and federal income data would be noncomparable. Second, the federal allotment data refer to the federal fiscal year, whereas the state income data are reported for the state's fiscal year. If used in Part K, the federal allotment would create data that were internally inconsistent on two fronts.

The draw-down, however, refers to the amount of funds actually received, and it is reported for the state's fiscal year. Using the draw-down as the measure of income would avoid both internal inconsistencies caused by using the federal allotment. If the draw-down were used in Part K, the amount actually expended could be used as the measure of expenditures in Parts L and M. In most cases, the STLA expends exactly what it draws down, but a few STLAs did not in fiscal year 1995 (see Georgia and Kentucky of Table 2-1). The fact that the income and expenditures data would be almost identical in the survey would not reflect poorly on the survey, so long as a notation were made explaining the CMIA scheme and its impact on income and expenditures concepts. See Section 5.3, recommendation 1 for suggested changes to questions 20-22.

While it does not represent actual income, the federal allotment is important also, because it provides insight into the amount each STLA had available to it in a given year. To complete the fiscal picture, it would be helpful if *State Library Agencies* presented the federal allotment so that it could be compared to the amount actually expended. The federal allotment, as well as total carryover and current expenditures could be presented in a separate table. It would mean adding three items to the survey. The table presenting this information would necessarily reflect the federal fiscal year. The rest of the fiscal section, however, could continue referencing the state fiscal years. See Section 5.3, recommendation 2.

Section 5.3 Recommended Income and Expenditures Questions[13]

1. As amended, questions 20-22 would read:[14]

   a. Question 20. "Enter in the spaces provided total funds received as income by the STLA during the reporting period identified in items 022-023. FOR ITEMS COLLECTING FEDERAL INCOME DATA SUBJECT TO THE CASH MANAGEMENT IMPROVEMENT ACT, USE AS YOUR INCOME MEASURE THE AMOUNT DRAWN DOWN FROM THE STLA'S FEDERAL TREASURY ACCOUNT CONTROLLED BY THE FUNDING AGENCY."

   b. Question 21. "Enter in the spaces provided total STLA expenditures, by source of funds and type of expenditure. Include all LSTA expenditures. WHEN COMPLETING THE FEDERAL EXPENDITURES PORTION, REPORT THE AMOUNTS ACTUALLY

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[13] *The proposed additions to the existing language are capitalized.*

[14] *Items 154-163 and 190-200 will have to be adjusted to reflect the change from the LSCA to the LSTA. Some items may have to be deleted, and all references to Titles I, II, and III must be removed. These modifications are beyond the scope of this report.*

EXPENDED (FOR MANY STLAS, THESE DATA MAY EQUAL THE AMOUNTS DRAWN DOWN.")
Include expenditures for allied operations only if the expenditures are from the STLA budget."

c. Question 22. "Enter in the spaces provided LSTA Section 231(a) [20 USC 9141(a)] expenditures, by the following types of expenditure. THE DATA PROVIDED SHOULD BE THE AMOUNTS ACTUALLY EXPENDED (FOR MANY STLA'S, THESE DATA MAY EQUAL THE AMOUNTS DRAWN DOWN). These expenditures should also be reported in Part L."

2. A question collecting LSTA Federal allotment data could be added to Part M. It would read:

a. Example: Part M, question 22A:

"PLEASE ENTER THE FEDERAL ALLOTMENT MADE AVAILABLE TO THE STLA (OR THE AWARD IF DIFFERENT FROM THE ALLOTMENT), ALONG WITH EXPENDITURES OF PRIOR-YEAR CARRYOVER AND CURRENT-YEAR FUNDS, FOR THE FEDERAL FISCAL YEAR CORRESPONDING TO THE REPORTING PERIOD REFERENCED IN ITEMS 022-023. THESE DATA SHOULD BE REPORTED FOR THE FEDERAL FISCAL YEAR (OCTOBER 1ST THROUGH SEPTEMBER 30TH).

"ITEM 200A: FEDERAL ALLOTMENT (OR AWARD IF DIFFERENT FROM THE ALLOTMENT). THE AMOUNT ALLOTTED THE STLA FOR PURPOSES OF THE LIBRARY SERVICES AND TECHNOLOGY ACT. IF THE STLA'S ACTUAL AWARD DIFFERED FROM THE ALLOTMENT, PLEASE PROVIDE THE AMOUNT OF THE AWARD INSTEAD OF THE ALLOTMENT.

"ITEM 200B: EXPENDITURES OF PRIOR-YEAR CARRYOVER FUNDS. EXPENDITURES, DURING THE FEDERAL FISCAL YEAR CORRESPONDING TO THE REPORTING PERIOD PROVIDED IN ITEMS 022-023, OF FUNDS CARRIED OVER FROM THE PREVIOUS FEDERAL FISCAL YEAR'S ALLOTMENT.

"ITEM 200C: EXPENDITURES OF CURRENT-YEAR FUNDS. EXPENDITURES, DURING THE FEDERAL FISCAL YEAR CORRESPONDING TO THE REPORTING PERIOD PROVIDED IN ITEMS 022-023, OF FUNDS AWARDED FOR USE DURING THAT FEDERAL FISCAL YEAR."

CHAPTER SIX. EXAMINATION OF STATEWIDE SERVICES, GRANTS, AND OTHER SELECTED EXPENDITURE DEFINITIONS IN THE STATE LIBRARY AGENCIES SURVEY

Section 6.0 Introduction

This chapter discusses the definitions of selected expenditures items in Parts L and M, emphasizing statewide services. Section 6.0 enumerates the findings and recommendations of the chapter, and describes some of the items to be analyzed. The descriptions of the various questions and items refer to the fiscal year 1997 survey instructions.

6.0.1 Principal Findings

Some STLAs are misclassifying their expenditures data. Evidence exists that the following misclassifications are occurring:

a. Classifying payments by the STLA to agencies contracted to perform statewide services as statewide services instead of grants in Part M.

b. Classifying expenditures for the direct provision by the STLA of materials or services to libraries as aid-to-libraries instead of operating expenditures in Part L.

c. Classifying expenditures for library construction grants as capital outlay.

6.0.2 Recommendations[15]

Statewide Services and Grants

1. To alleviate confusion in item 190 about the meaning of statewide services, the reference to the phrase "to provide services to libraries and individuals throughout the state" could be deleted. The phrase "include all operating expenditures and capital outlay" could be inserted after the first sentence.

2. a. If the Steering Committee wishes to classify funds paid to contracting agencies as grants rather than statewide services in item 190, the sentence "[i]ncludes sub-grants made to single libraries or other outside agencies to provide or assist in providing such services" should be edited such that "excludes" replaces "includes;" and a sentence should be added at the end of item 191, which reads "Include funds paid to agencies contracted to provide statewide services."

   b. The Steering Committee may as an alternative wish to include in item 190 funds expended by contracting agencies, rather than treating them as grants. In this case, item 190 would be changed only according to recommendation 1 above and item 191 would be modified by adding a sentence at the end which reads "Exclude funds paid to agencies contracted to provide statewide services."

3. Unless item 183 intentionally excludes certain types of services, the text could be simplified to include all STLA-originated services. The examples of statewide services would be deleted and "where the primary service area is all or a significant portion of the state" would be removed.

Operating and Aid-to-Libraries Expenditures

4. The Aid-to-Libraries section could contain a note containing a short definition of "aid," just after the title, "Financial Aid-to-Libraries." It could also distinguish between providing materials or services directly to libraries, and giving financial aid. In addition, the current note under operating expenditures could be augmented to include specific types of expenditures that would be considered operating expenditures.

Library Construction and Capital Outlay

5. To guard against the classification of library construction grants in aid-to-libraries as capital outlay, the following sentences could

[15] *See Sections 6.2.4, 6.3.3 and 6.4.2 for actual proposed language.*

be added to items 184 and 187: At the end of item 184: "EXCLUDE construction on state library buildings." At the end of item 187: "EXCLUDE grants for construction on libraries other than the state library."

Section 6.1 Relationships Between Parts L and M Expenditures

A brief introductory discussion regarding the purposes and functions of Parts L and M of the Survey will be helpful to an understanding of this chapter's definitional analysis. Parts L and M collect STLA expenditures data that are used by administrators and policy makers in library services planning, financial and budgetary analysis, and resource allocation. Part L collects data on STLA expenditures by source (Federal, state, and other) and character (operating, aid-to-libraries, capital, and other). (See Appendix A, Section A-1.5, Question 22.) Part M collects LSCA expenditures only, broken down according to whether the STLA expended the funds for its own purposes ("statewide services"), distributed them to other agencies for library program expenditures ("grants") or expended the funds in the administration of LSCA programs ("LSCA administration"). Taken together, Parts L and M collect data that may be used in answering such public policy questions as:

(1) Do Federal funds displace state funds for support of STLAs?
(2) If so, have they done so at the expense of assistance to local libraries?
(3) Is the STLA the best agency for channeling limited Federal funds?
(4) What are the trends in support of STLAs and the sources of their funding?
(5) How significant are funds other than those from regular state and Federal appropriations (earmarked funds, special revenue, fees, etc., in the funding of STLAs? and
(6) To what extent do "parent agencies" support the STLA?

See section 3.1.3 for a more detailed discussion of the expenditures groupings collected in Parts L and M.

For most STLAs, reporting expenditures in Part M should be straightforward. Most STLAs' expenditures follow this general rule: All operating and capital expenditures of LSCA funds by the STLA are statewide expenditures in Part M, except operating expenditures for LSCA administration, which are reported separately in Part M. LSCA funds distributed by the STLA to libraries or systems are grants in Part M.

As the general rule implies, each category of Part M is represented in a corresponding category or categories of the Part L federal expenditures, and vice versa.[16] The operating component of statewide expenditures in Part M is reflected only in the federal operating expenditures category of Part L; the capital component of statewide expenditures is reflected only in the federal capital outlay category of Part L; LSCA administration expenditures in Part M are reflected only in the federal operating expenditures category of Part L; and grants expenditures are reflected only in the federal Aid-to-Libraries category of Part L. The following equations summarize these relationships:

	Part L		Part M
6-1.	Federal operating expenditures	=	Statewide operating + LSCA administration expenditures
6-2.	Federal aid-to-libraries expenditures	=	Grants expenditures
6-3.	Federal capital outlay	=	Statewide capital expenditures

Unfortunately, not all of the above equations balance for many STLAs. To learn how expenditures had been reported the evaluation examined the data of each STLA from fiscal years 1994 through 1996. The data from each expenditure category in Parts L and M were plugged into the applicable terms in the equations.

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[16] *This statement excludes the "other" category in Part L. It is unclear which types of expenditures data this category collects, as the instructions mention no specific expenditures that would belong there. It seems to be a "catch-all" category. Curiously, in collecting total expenditures data, neither the Public Libraries Survey nor the Federal Libraries Survey uses the "other" category in addition to the operating expenditures and capital outlay categories.*

In this way the expenditures from Part M were tracked in Part L. See Section 7.3.1 for further details.

The resulting equations revealed that many STLAs have been misclassifying their expenditures data, perhaps because of unclear expenditures definitions. Several items in Parts L and M would have benefitted from clearer definitions. Judging by the types of misclassifications that occurred, however, the category most in need of a revised definition was statewide services. The next three sections study the definitions of the most problematic expenditures items, with emphasis on the statewide services category.

Section 6.2 Examination of Statewide Services and Grants

6.2.1 Data Analysis

The expenditures-tracking experiment yielded several instances in which an STLA appeared to have incorrectly classified statewide services expenditures (see Table 6-1).[17] Statewide services should be classified in Part L only as operating or capital outlay expenditures. However, many STLAs appeared to have classified them as aid-to-libraries. To understand how these misclassifications could have occurred, phone interviews supplemented the data analysis.

Each respondent was asked to explain the unbalanced equations. Much of the time the interview garnered no new information, but gradually two explanations surfaced. The first concerns funds paid to contracting agencies that provide statewide services, item 183. The second involves misclassifications of operating expenditures as aid-to-libraries, which Section 6.3 explains. (See Chart 6-1 for a detailed explanation of how each STLA classified its statewide services expenditures.)

[17] *Because the 1996 data used in this evaluation were collected before publication of State Library Agencies, Fiscal Year 1996, NCES 98-258, these data will not reflect any subsequent edits that may have been made.*

6.2.2 Agency Providing Statewide Services

The first possible explanation for the classification of statewide services expenditures as aid reflects an exception to the general rule described in the beginning of this section. Sometimes an STLA contracts with other entities to provide statewide services, listing those expenditures in item 183 of Part L. In Part M, however, the STLA may classify them as statewide services rather than grants, because the services were performed on behalf of the STLA. When an STLA categorizes this type of expenditure as statewide services in Part M, but as Aid-to-Libraries in Part L, equations 6-1 and 6-2 become unbalanced. Part M becomes too large in equation 6-1, and too small in equation 6-2.

This scenario appears to be a major cause of confusion among STLA respondents to whom it applies. Phone interviews and data analysis conducted in July-August of 1997 revealed that in fiscal year 1995, seven out of the fifteen STLAs examined classified the item 183 expenditures as statewide services, and eight classified them as grants. In fiscal year 1996, four out of ten classified the expenditures as statewide, and six classified them as grants (see Chart 6-2) (item 183 expenditures were not broken out by source in the fiscal year 1994 survey). (See Section 7.3.2 for further details.) Section 6.2.4 will suggest modifications to the definitions involving statewide services and grants to help simplify the classification of statewide services expenditures.

The disagreement among STLAs that have item 183 expenditures over where these expenditures should appear in Part M illustrates the uncertainty faced by all STLAs on the distinction between statewide services and grants. About half of the STLAs reviewed appear to view the distinction as depending on whether the STLA itself expended the funds or distributed them. The other half viewed the distinction as depending on the size of the primary service area (see Chart 6-3, and Section 7.3.3).

6.2.3 Two Meanings for Statewide Services

The sources of the divergent interpretations could be the definitions for items 183, 190, and 191. There appears to be somewhat of an inconsistency

between item 183, and items 190 and 191. If one reads items 190 and 191 without referring to item 183, it appears the distinction between statewide services and grants is based on whether the STLA itself (or an agency under contract with the STLA) expended the funds or whether it distributed them as grants. In this view, funds expended by the STLA would be considered statewide, regardless of the size of the service area.

By contrast, item 183 appears to define statewide services by referring to the area served. (Item 183 differs from item 190 in that it collects data on statewide services expenditures of a contracting agency, rather than of the STLA itself. However, the concept of statewide services is the same for both items, thus making a definitional comparison possible.) According to item 183, in order to be considered statewide, the service provided by the contracting agency must be one "where the primary service area is all or a significant portion of the state." Item 183 enumerates two examples of statewide services: services to the blind and physically handicapped; and statewide interlibrary loan or reference services. The definitional constraint and ensuing list suggest that there are services provided by STLAs or contracting agencies which are not statewide.

This creates a contradiction between the definitions of statewide services in items 183 and 190. Item 183 implies that there are STLA-originated services that are not statewide, while item 190 implies that all services provided by the STLA or its agent are statewide. With two meanings for one phrase, it is understandable why STLAs would be at odds distinguishing between statewide services and grants. Section 6.2.4 offers an alternative definition of item 183 which might help to clarify the distinction.

6.2.4 Recommended Definitions of Statewide Services and Grants[18]

1. To alleviate confusion in item 190 about the meaning of statewide services, the reference to the phrase "to provide services to libraries and individuals throughout the state"could be deleted. The phrase "include all operating expenditures and capital outlay" could be inserted after the first sentence.

2. If the Steering Committee wishes to classify funds paid to contracting agencies as grants rather than statewide services, in item 190, the two items would read as follows:

   Item 190. "Statewide Services. STLA EXPENDITURES, OTHER THAN THOSE FOR LSTA ADMINISTRATION. INCLUDE ALL OPERATING EXPENDITURES AND CAPITAL OUTLAY FROM PART L, BUT EXCLUDE FUNDS PAID TO AGENCIES CONTRACTED TO PROVIDE STATEWIDE SERVICES."

   Item 191. "Grants. Funds distributed by the STLA to recipients who meet eligibility criteria specified by LSTA and the state. Such funds are usually awarded for purposes specified in successful grant proposals, AND may be awarded competitively or on a formula basis. INCLUDE FUNDS PAID TO AGENCIES CONTRACTED TO PROVIDE STATEWIDE SERVICES."

   If the Steering Committee wishes to include in item 190 funds expended by contracting agencies rather than treating them as grants, items 190 and 191 would read:

   Item 190. "Statewide Services. STLA EXPENDITURES, OTHER THAN THOSE FOR LSTA ADMINISTRATION. INCLUDE ALL OPERATING EXPENDITURES AND CAPITAL OUTLAY FROM PART L, AS WELL AS FUNDS PAID TO AGENCIES CONTRACTED TO PROVIDE STATEWIDE SERVICES."

   Item 191. "Grants. Funds distributed by the STLA to recipients who meet eligibility criteria specified by LSTA and the state. Such funds are usually awarded for purposes specified in successful grant proposals AND may be

[18] *The proposed additions to the existing language are capitalized in all recommendations throughout the Chapter.*

awarded competitively or on a formula basis. EXCLUDE FUNDS PAID TO AGENCIES CONTRACTED TO PROVIDE STATEWIDE SERVICES."

3. Unless item 183 intentionally excludes certain types of library services provided by contracting agencies, the text of item 183 should read:

> Item 183. "Single agency or library providing statewide service. A single agency or library, THAT, ON BEHALF OF THE STLA, PROVIDES A LIBRARY SERVICE TO LIBRARIES OR STATE RESIDENTS."

Section 6.3 Operating and Aid-to-Libraries Definitions

6.3.1 Classification Error where STLA Pays Directly for Library Materials or Services

In addition to treating item 183 expenditures as aid in Part L, but as statewide services in Part M, a second possible explanation for the misclassifications exists. It relates to a situation in which some STLAs pay for certain materials or services directly for libraries (e.g., union storage list fees, wide-area networking fees). In many states, the STLA operates a statewide electronic network or develops union storage lists. The STLA might not charge the libraries for part of the expenditures associated with those services. This is the case with at least two STLAs (see Section 7.3.4). They classified these types of expenditures as aid-to-libraries instead of operating expenditures in Part L, and as statewide services in Part M.

When an STLA categorizes such an expenditure as statewide services in Part M, and as Aid-to-Libraries in Part L, equations 6-1 and 6-2 become unbalanced. There may be several other STLAs that operate similarly, which could explain part of the apparent misclassification of statewide services expenditures by some STLAs. Some STLAs with these types of expenditures may be having trouble distinguishing between operating and aid-to-libraries expenditures. Section 6.3.2 examines the classification error and Section 6.3.3 provides suggested definitions of operating expenditures and financial assistance to libraries (formerly, aid-to-libraries)[19] to help prevent this error in the future.

6.3.2 Confusion about the Distinction between Operating and Aid-to-Libraries Expenditures

One of the above examples involved an STLA that paid libraries' fees for union storage lists. This type of cost would normally be considered an operating cost of the STLA, but the respondent classified it as an aid-to-libraries expenditure. While understandable, this error reflects a lack of appreciation for the distinction between operating expenditures and the category then known as Aid-to-Libraries. Since "operating expenditures" is a standard phrase in governmental accounting, the "aid" category is probably causing confusion.

Deriving the Composition of Financial Assistance to Libraries

The "financial assistance to libraries" section of Part L does not contain any definitional note identifying what "financial assistance to libraries" means. This section will suggest such a note, as well as an augmentation of the note for the operating expenditures category. To develop definitional notes, one must first determine exactly what the terms to be defined mean. This subsection attempts to identify the main ingredients of the categories of Part L, which are mutually exclusive.

Operating Expenditures. The term "operating expenditures" has a standard meaning in governmental accounting, and that meaning is well captured by the corresponding definitional note in the survey, which reads: "These are the current and recurrent costs necessary to the provision of services by the STLA." The fact that there are no special caveats or exceptions, indicates that expenditures for materials or services provided directly by the STLA to libraries or systems would be included in operating costs and excluded from financial assistance to libraries.

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[19] *After the fiscal year 1996 survey, this subtitle in Part L was changed from "aid-to-libraries" to "financial assistance to libraries."*

Capital Outlay. Capital outlay is easily distinguishable from financial assistance to libraries, because it generally refers to improvements made to state library property, not the property of individual libraries or systems.

Financial Assistance to Libraries. Since financial assistance to libraries does not consist of materials or services provided directly to libraries (operating expenditures), the costs of running the state library and providing statewide services (operating expenditures), or capital outlay for state library property, the only type of expenditure remaining is financial aid-to-libraries, or grants. Thus, it appears that financial assistance to libraries of Part L, is currently identical in composition to grants of Part M.

Other. The "other" expenditures category is a "catch-all," collecting any expenditures an STLA cannot classify in one of the above-three categories. Very few such expenditures should exist.

6.3.3 Recommended Notes Defining Financial Assistance to Libraries and Operating Expenditures

The notes defining financial assistance and operating expenditures would read, respectively:

> "FINANCIAL ASSISTANCE TO LIBRARIES OR SYSTEMS . . . . INCLUDE GRANTS LISTED IN PART M. INCLUDE FUNDS PAID TO CONTRACTING AGENCIES LISTED IN ITEM 183. EXCLUDE EXPENDITURES FOR MATERIALS OR SERVICES PROVIDED DIRECTLY TO A LIBRARY OR SYSTEM BY THE STLA."

> "Operating expenditures . . . . These are the current and recurrent costs necessary to the provision of services by the STLA. CONSISTS OF ALL STAFF, COLLECTIONS, AND OTHER OPERATING EXPENDITURES, INCLUDING THOSE FOR MATERIALS OR SERVICES PROVIDED DIRECTLY TO A LIBRARY OR SYSTEM BY THE STLA."

Section 6.4 Library Construction Aid and Capital Outlay

6.4.1 Classification Error of Library Construction Aid (item 184) as Capital Outlay (item 187)

Analysis of the data revealed that some STLAs may be mistakenly classifying library construction grants as capital outlay (see Section 7.3.5). This is an understandable error, because the two contain many of the same types of expenditures.

6.4.2 Recommended Definitions of Library Construction Aid and Capital Outlay

1. Items 184 and 187 would read as follows:

   a. Item 184. "Library construction. Do not report data for this item in items 179-183, 185, or 187. Includes construction of new buildings and acquisition, expansion, remodeling, and alteration of existing buildings, and the purchase, lease, and installation of equipment of any such buildings, or any combination of such activities (including architects' fees and the cost of acquisition of land). Equipment includes information and building technologies, video and telecommunications equipment, machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them. EXCLUDE CONSTRUCTION ON STATE LIBRARY BUILDINGS."

   b. Item 187. "Capital outlay. Funds for the acquisition of or additions to fixed assets such as building sites, new buildings and building additions, new equipment (including major computer installations), initial book stock, furnishings for new or expanded buildings, and new vehicles. Exclude replacement and repair of existing furnishings and equipment, regular purchase of library materials, and investments for capital appreciation. Exclude the amount reported for this item from all other items except (189). EXCLUDE GRANTS FOR CONSTRUCTION ON BUILDINGS

OTHER THAN THE STATE LIBRARY.

"Note: State accounting practices shall determine whether a specific item is a capital expense or an operating expense, regardless of the examples in this definition."

Table 6-1. Correct, Unknown, or Incorrect Classification of Statewide Services Expenditures by State Library Agencies by Fiscal Year and State

	1994			1995			1996		
State	Correct	Unknown	Incorrect	Correct	Unknown	Incorrect	Correct	Unknown	Incorrect
Alabama*	X					X	X		
Alaska			X	X					X
Arizona		X			X		X		
Arkansas	X			X			X		
California	X			X				X	
Colorado		X		X			X		
Connecticut*			X	X			X		
Delaware*	X			X				X	
District Columbia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Florida*			X	X					X
Georgia*	X			X			X		
Hawaii	X			X			X		
Idaho*	X			X			X		
Illinois*	N/A	N/A	N/A			X	X		
Indiana*			X			X			X
Iowa		X			X		X		
Kansas			X			X	X		
Kentucky			X		X			X	
Louisiana	X			X			X		
Maine		X			X			X	
Maryland			X			X	X		
Massachusetts*	X			X			X		
Michigan	N/A	N/A	N/A			X			X
Minnesota	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mississippi	X			X			X		
Missouri			X			X			X
Montana*	X			X			X		
Nebraska			X	X					X
Nevada	X				X		X		
New Hampshire		X		X			X		
New Jersey			X			X		X	
New Mexico		X		X				X	
New York*	X			X			X		
North Carolina*		X		X			X		
North Dakota	X			X			X		
Ohio	X			X			X		
Oklahoma	X			X			X		
Oregon	X			X					X
Pennsylvania			X						X
Rhode Island	X			X			X		
South Carolina	X			X			X		
South Dakota	X			X			X		
Tennessee*		X			X			X	
Texas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Utah			X			X		X	
Vermont	X			X			X		
Virginia	X			X			X		
Washington			X			X		X	
West Virginia*	X			X			X		
Wisconsin*	X			X			X		
Wyoming	X					X		X	

* Represents state libraries that provided information by phone

Note: N/A means "data not available."

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Chart 6-1. Explanations for Classification by State Libraries of Library Services and Construction Act Statewide Expenditures as Other Than Operating Expenditures by State and Fiscal Year		
State	**Year**	**Explanation**
AK	94	Classified as operating and aid expenditures. The state library may have bought materials or services directly for the libraries and classified the expenditures as statewide services and aid-to-libraries, instead of operating. This could provide the explanation unless one of three conditions applies: 1) the state library interprets the distinction between statewide services and grants as depending on the area served, and would not have considered the expenditure to benefit a large portion of the state, 2) the state library contracted with another agency to provide statewide services which it does not treat as grants, or 3) the state library simply made an error in classifying its expenditures.
AL	95	Classified as operating and aid expenditures. The state library may have bought materials or services directly for the libraries and classified the expenditures as statewide funds used for aid-to-libraries expenditures. See the explanation and discussion for AK.
AZ	95	Classified as operating and capital expenditures. The state library spent $208,000 of statewide LSCA funds on capital outlay for the state library. The rest of the statewide funds were spent on operating statewide programs.
CT	94	The state library may have bought materials or services directly for the libraries and classified the expenditures as statewide funds used for aid-to-libraries expenditures. See the explanation and discussion for AK.
CO	95	All statewide expenditures were classified as operating expenditures, except those for the contracting agency, which were classified as aid-to-libraries expenditures.
DC	94, 95	The DC state library does not list any statewide expenditures.
DE*	94	Classified as operating and capital expenditures. The State library expended between two and three thousand dollars of its statewide expenditures on capital outlay for the state library. The rest of the statewide funds were expended on statewide programs.
FL	94, 96	Classified as operating and aid expenditures in 1994, and operating, aid, and capital expenditures in 1996. The state library may have bought materials or services directly for the libraries and classified the expenditures as statewide funds used for aid-to-libraries expenditures. See the explanation and discussion for AK.
IA*	95	Classified as operating and aid expenditures. Interprets statewide/grants distinction as depending on the size of the area served. In 1995, some grants funds may have been dispersed or contracted to a library or system which served a substantial portion of the state (although nothing was marked under item 183). Alternatively, the state library could have bought some materials or services directly for a library or system which the state library considered to benefit a large portion of the state, and classified these as aid, instead of operating expenditures.
ID*	95	Classified as operating and capital expenditures. The state library reports expending some of the statewide funds on capital outlay for the state library itself.
IN*	94, 95, 96	Classified as operating, capital, and other expenditures. In 1995 the state library provided network services which it classified as aid-to-libraries expenditures. If the state library interprets the statewide/grants distinction as depending on whether the State library expends the funds itself, the expenditures would have been considered statewide. If the State library interprets the statewide/grants distinction as depending on size of the area served, and if it considered the network system expenditures to benefit most of the state, it would have considered them to be statewide in that case also. It is unknown what the "other expenditures" breakdown included.
IL*	94, 95, 96	No statewide expenditures in 1994. Classified as aid expenditures in 1995 and 1996. The only statewide expenditures in 1995 and 1996 were those paid to a contracting agency.
KS*	94, 95	Classified as operating and aid expenditures. The state library interprets statewide/grants distinction as depending on whether the state library expends the funds itself or gives them to libraries as grants. There were no materials or services bought directly for any libraries. The data for 1994 and 1995 could simply have been in error.
KY*	94, 95, 96	Classified as operating, aid, and capital expenditures in 1994 and 1996. Classified as operating and capital expenditures in 1995. The State library interprets the statewide/grants distinction as depending on the size of the area served. The state library might allow a contracting agency to provide statewide services (although the state library did not identify any such agencies in item 183). Alternatively, the state library might directly buy some materials or services directly for individual libraries around the state, and consider this a statewide service. Also, in each year, some of the statewide funds were expended on state library capital outlay.
MD*	94, 95	Classified as operating and aid expenditures. Uncertain: The state library interprets statewide/grants distinction as depending on the size of the area served. In 1994 and 1995, the state library may have contracted with an agency or agencies to provide statewide services. These expenditures would be considered statewide, but would be classified as aid-to-libraries expenditures.

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Chart 6-1. Explanations for Classification by State Libraries of Library Services and Construction Act Statewide Expenditures as Other Than Operating Expenditures by State and Fiscal Year		
State	**Year**	**Explanation**
MO	94, 95	Classified as operating and aid expenditures. The state library may have bought materials or services directly for a library or system. See the explanation and discussion for AK.
MI*	94, 95, 96	No statewide expenditures in 1994. In 1995 and 1996, the state library purchased materials and services directly for libraries. These expenditures were classified as aid.
MS	96	Classified as operating and capital expenditures. The state library expended some statewide funds on capital outlay for the state library.
MN	94, 95, 96	No statewide expenditures in any year.
NC	95	Classified as operating and capital expenditures. The state library expended some statewide funds on capital outlay for the state library.
NE*	94, 95, 96	Classified as operating and aid expenditures in 1994 and 1996. Classified as operating and capital expenditures in 1995. In 1994 and 1996, aid-to-libraries expenditures paid to a contracting agency to provide statewide services were classified as statewide. In 1995, the state library did not consider such expenditures to be statewide, but to be grants. In addition, the state library bought software for its own use. These statewide expenditures were classified as capital expenditures.
NJ	94, 95	Classified as operating and aid expenditures. The state library may have bought materials or services directly for the libraries and classified the expenditures as statewide funds used for aid-to-libraries expenditures. See the explanation and discussion for AK.
NM	95	Classified as operating and capital expenditures. The state library expended some statewide funds on capital outlay for the state library.
OR	96	The only statewide expenditures were aid to a contracting agency.
PA*	94, 95, 96	Classified as operating and aid expenditures. The state library interprets statewide/grants distinction as depending on the size of the area served. Treatment of statewide expenditures in this case would be similar to that described in the explanation for KY.
TN	95	Classified as operating, aid, and capital expenditures. The state library may interpret the statewide/grants distinction as depending on the size of the area served. Treatment of statewide expenditures in this case would be similar to that described in the explanation for KY.
TX	94, 95, 96	No statewide expenditures any year.
UT	94, 95, 96	Classified as Operating and Aid expenditures. The State library may have bought materials or services directly for the libraries and classified the expenditures as statewide funds used for aid-to-libraries expenditures. See the explanation and discussion for AK.
WA	94, 95, 96	Classified as operating and aid expenditures in 1994. Classified as operating, aid, and other expenditures in 1995 and 1996. The state library may have bought materials or services directly for the libraries and classified the expenditures as statewide funds used for aid-to-libraries expenditures. See the explanation and discussion for AK. Also, in 1995 and 1996, LSCA administration was classified as other.
WI*	95	Classified as operating and capital expenditures. The state library expended statewide funds to buy CD-ROM materials for libraries directly. The amount was incorrectly listed as capital outlay, instead of operating expenditures.
WV	94	Classified as operating and capital expenditures. The state library expended some statewide funds on capital outlay for the state library itself.
WY	95	Classified as operating and aid expenditures. Expenditures for statewide services paid to a contracting agency were classified as aid. All other expenditures were classified as operating expenditures.

*Indicates a state library that provided relevant information by phone.

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Chart 6-2. State Library Agencies: Classification of Aid to a Single Agency or Library System Providing Statewide Services (State Library Agencies Survey Item 183), by Name, Number, and Fiscal Year

	1994			1995			1996		
	Classified as . . .			Classified as . . .			Classified as . . .		
STLAs	Statewide Services	Grants	Un-known	Statewide Services	Grants	Un-known	Statewide Services	Grants	Un-known
Number:	N/A	N/A	N/A	7	8	4	4	6	0
Names:	N/A	N/A	N/A	CO, IL*, MD*, NV*, PA*, TN*, WY	AR, CT*, MA*, NC*, NE*, OH, RI, SC	CA, MO, NJ, WA	IL*, MN, NE*, OR	IA*, MT*, NC*, OH, SC, VT*	

* Indicates a state library that provided relevant information by phone.
Note: "N/A" means such data were not available for that year.

Chart 6-3. Interpretation of Distinction Between Statewide Services (State Library Agencies Survey Items 190 and 197) and Grants (Items 191, 194, 198), by State Libraries: Fiscal Years 1994—1996

STLAs	LSCA funds which the STLA expends itself (statewide services), versus funds the STLA gives to libraries, systems, agencies (grants)	LSCA funds which are used to benefit all or a significant portion of the state (statewide services), versus funds benefitting only a local area (grants)	Interpretation is unknown or is irrelevant (because the STLA neither contracts for statewide services, nor expends funds directly on local libraries; or because the STLA makes no distinction between Statewide Services and grants)
Number:	13	15	23
Names:	AR, CA, CT*, KS*, MA*, MT*, NC*, OH, RI, SC, TX*, VT, WV	AZ*, CO, IA*, IL*, IN*, MD*, MI*, MO*, NE*[1], NV*, OR, PA*, TN*, WI*, WY [1] In 1995, NE interpreted statewide services as defined in the first category; in 1994 and 1996, this category.	AK, AL, DC, DE, FL, GA, HI, ID, KY, LA, ME, MN, MS, ND, NH, NJ, NM, NY, OK, SD, UT, VA, WA

* Indicates a state library that provided relevant information by phone.

PART III: METHODOLOGY

CHAPTER SEVEN. METHODOLOGY

Section 7.0 Introduction

This section describes methodological issues that affected both parts of the evaluation.

7.0.1 Selection of STLAs for Evaluation

The evaluation was unable to investigate the entire universe because it could not acquire detailed data from all fifty-one STLAs. The OLP expenditures data for fiscal year 1995 were readily available for only forty-one out of fifty-one STLAs (the forty-one available STLAs are listed in Table 2-2). In addition, only 28 STLAs could be reached for phone interviews. Nonetheless this evaluation was conceived not as a statistical analysis, but as an operational one. Moreover, care was taken so that the STLAs included in the phone interviews would generally reflect the geographic, programmatic, and financial patterns of the STLA universe.

The above examples provided sufficient information to address the types of issues upon which the evaluation focused. The duplication issue was one for which the collection instruments themselves, rather than the actual data, were the critical objects of analysis. The actual subject matter was consulted mostly to confirm what the forms suggested. The definitional study relied mostly on the comments of the respondents and the actual wording of the survey instrument itself, rather than the actual respondent data. Moreover, the issues relating to the definitions were simple enough such that an analysis of twenty-eight STLAs was sufficient. After speaking with about half of them, their responses became somewhat predictable, and few significant insights emerged after that point.

7.0.2 Reporting Period Inconsistency

Because the OLP collected its data according to the federal fiscal year, and the NCES survey collects according to the fiscal year of each STLA, the reporting periods conflicted for all but three STLAs: Alabama, District of Columbia, and Michigan. For all other STLAs, a perfect comparison of NCES and OLP fiscal data was impossible. Because of this, phone interviews supplemented the data analysis.

7.0.3 Rounding

In the *State Library Agencies* publications, the NCES fiscal data were rounded to the nearest thousand. Working with rounded data did not appear to affect the accuracy of the data comparisons.

The Effect of Rounding on the Duplication Analysis

The NCES survey collects total income and expenditures data for Titles I and III in items 154, 156, 193, and 196, respectively (see Appendix A, Sections A-2.2 to A-2.5). For the expenditures totals by title, the respondents sum the title components and present the sums in unrounded form in those items. The Census Bureau staff then performs the rounding on each item when tabulating the data. Thus, although the totals are compared, they are not sums of rounded numbers, but sums of actual numbers. Each rounded number is at most $500 from its actual value, and the furthest apart any seeming matches would be is $999. For consistency, the OLP data were also rounded to the nearest thousand.

The Effect of Rounding on the Definitional Analysis

The definitional analysis entailed summing numbers that had already been rounded, and comparing the totals with other rounded numbers, potentially yielding differences due to rounding. This evaluation set tolerance ranges to accommodate these situations. Two examples follow:

> As part of the definitional analysis, the sum of statewide services and administration expenditures, each rounded to the nearest thousand, was compared with federal operating expenditures, which is itself rounded to the nearest thousand. Statewide services was the sum of Titles I and III statewide services, each rounded to the nearest thousand; and administration was the sum of Titles I and II administration, each rounded similarly. Theoretically, actual federal operating expenditures could have matched the sum of statewide services and administration, but the rounded numbers could have appeared almost $2500 apart. To counterbalance this, numbers that were within three thousand dollars of one another were considered a match.

A similar problem existed with the comparison of grants and aid. There are grants components of each of the three titles, so to arrive at total grants expenditures, three rounded numbers had to be summed and compared with aid, which is itself a rounded number. Thus, the discrepancy between the actual and rounded numbers was potentially $2000, which was allowed as leeway in determining matches. In reality, for the vast majority of STLAs, the data for each comparison either matched within one or two thousand dollars, or differed by ten thousand or more.

7.0.4 Reference Sources

The evaluation consulted the following reference sources for information about the survey and OLP materials: statutory and regulatory material; blank data collection instrument forms; instructions for form completion; actual respondent data; and phone interviews with selected respondents.

Statutory and Regulatory Material

Both the duplication and definitional analysis required a study of the statutory and regulatory material pertaining to the LSCA program to understand the data, to compare the definitions of the seemingly comparable items, and to make recommendations for future data collection efforts.

For example, in order to determine whether duplication of data collection existed between the NCES and OLP data collection instruments, it was necessary to determine if the expenditures groupings were compatible. The term "administration" was used to refer to expenditures groupings in both the NCES and the OLP materials. It was necessary to check the statute and regulatory material pertaining to the LSCA to see if administration was defined the same way the NCES survey defined it. There was no definition of administration in any pertinent sections of the U.S. Code or the regulations of the Dept. of Education. Similar research was done for the term "statewide services," with the same result.

To make recommendations for the future, the evaluation also compared LSCA and LSTA legislation. The LSTA was examined to determine whether the IMLS would collect fiscal data similar to that collected by the OLP, and to ascertain how to adjust the suggested definitions to reflect the objectives of the new regime.

Forms

The forms used by each agency were also consulted. They were instrumental in the initial finding that duplication did not exist. At first blush, the income data exhibited no duplication because the OLP did not collect income data. In terms of expenditures, simply by looking at the forms, it seemed apparent that the data collection instruments collected the data in distinct and incompatible groupings. Data analysis and phone interviews confirmed these initial findings.

Instructions

The instructions for both data collection instruments also provided valuable information. The NCES survey instructions in particular provided often lengthy definitions of survey items. The OLP instructions did not define terms, but provided contextual information.

Phone Interviews

Phone interviews with approximately 28 respondents answered questions about STLA procedures and customs relevant to the LSCA granting regime. The STLAs that were selected for the phone interviews were selected based upon their responses to the items in question, their size, activities, budget, and geographic region.

Some definitional issues did not become apparent until a substantial amount of research had been finished. Only limited phone interviews were done for these issues. For example, possible misclassifications regarding 1) funds expended by the STLAs in their direct provision of material or services; and 2) funds expended for library construction on libraries other than the state library; were investigated with less resources, because of their late discovery, and because the data did not reveal that the problems were widespread.

Data Analysis

NCES survey data. For the duplication analysis, examining the actual respondent data meant consulting *State Library Agencies, Fiscal Year 1995*. Fiscal year 1995 was chosen because at the time this evaluation

began, late April 1997, it was the most recent year for which the data set was complete. For the definitional analysis, which occurred later, the data from fiscal years 1994 and 1996 were added, so that the evaluation could measure year-to-year consistency of definitional interpretations by the respondents.

OLP Materials. The evaluation required data from the OLP only for the duplication issue. The structure of the OLP materials made examining the actual respondent data more difficult than examining the STLA survey data. The OLP's annual reports were the main form in which the data were collected. These reports were designed to monitor the activities of STLAs in implementing their LSCA grant programs, thus the data were in a form that was very different from the survey-originated data of the STLA survey. The annual reports were very detailed and more qualitative in nature. In addition, the OLP did not summarize or tabulate the universe data in aggregate, but focused on each STLA's data individually. Consequently, each annual report under scrutiny had to be painstakingly perused to find the appropriate project data. Another form in which some of the OLP data were available was through its listings of federal allotments for each STLA under each LSCA title. The OLP was responsible for computing the allotments, using a formula dictated by statute.

Section 7.1 Chapter Two: Duplication of Income Data

Before the duplication analysis of the income items could proceed, the evaluation had to determine whether the STLAs were using the same measure of income in completing items 154-163. Hence, an analysis of the data was performed and the results checked through phone interviews with the respondents. For all fifty-one STLAs, the NCES survey's total income and expenditures data were compared with one another and with the federal allotment, by title. Three reporting patterns emerged. Twenty-two STLAs had matching LSCA income and expenditures data, suggesting that they considered the draw-down to be the appropriate measure of income. Sixteen had matching LSCA income and federal allotment data, suggesting that they used the federal allotment as the income measure. Three had matching numbers for all three. The pattern of the remaining ten was not immediately discernable. Hence, there seemed to be little consensus about which measure of income should be used.

This conclusion was confirmed through phone interviews. Twenty-eight of the fifty-one respondents were contacted and asked for their interpretations of the former question 21. Fourteen of the respondents interpreted the question as asking for the amount drawn down, seven interpreted the question as asking for the federal allotment, one had matching data for all three, and six were uncertain. In addition, five of the ten STLAs whose data were inconclusive before the phone interview, Delaware, Georgia, Kentucky, Montana, and Nevada, reported that they had interpreted question 21 as asking for the amount drawn down from the OLP account.

Consolidating the findings from the data analysis and the phone survey, twenty-seven STLAs interpreted question 21 as asking for the draw-down, sixteen interpreted it as asking for the federal allotment, three exhibited the same data for income, expenditures, and the allotment, and five remain a mystery.

Section 7.2 Chapter Three: Duplication of Expenditures Items

Analyzing the expenditures items focused on three areas of divergence between the NCES and the OLP instruments: lack of annual collection of Title II data; incompatible expenditures groupings; and conflicting reporting periods.

The OLP did not collect annual Title II data, therefore there could not have been duplication of Title II data.

7.2.1 Expenditures Groupings

The examination of expenditures groupings required comparing forms, definitions, and data. Looking at the forms, it was obvious that the data were collected in different groupings by each agency, but whether the groupings were incompatible was uncertain. It appeared there may have been a way to sort each OLP project report by statewide services, grants, and administration. Once sorted, the project expenditures from each grouping could have been summed for a categorical expenditures total for each title. To determine whether the sorting would be possible, the agencies' definitions and/or uses of each category were compared.

LSCA Administration Category

The NCES survey defined each of the categories, but the OLP only defined the Administration category. Thus a definitional comparison could be performed only on the Administration categories. The comparison revealed that the OLP's Administration category captured more types of expenditures than did the NCES Administration category, thus there appeared to be strong evidence that the project reports could not be sorted by the Administration category.

To confirm this, the LSCA administration expenditures of the forty-one available STLAs were compared, looking for matching NCES and OLP data. District of Columbia and Michigan matched, as well as thirteen other states whose reporting periods should have precluded matches. Thus, the actual data did not strongly reflect the difference in definitions. However, because the definitions were clearly divergent, the two LSCA administration categories were found incompatible.

Statewide Services and Grants

Because the OLP had no definitions for these terms, a comparison of definitions was impossible. The evaluation had to resort to the respondent data and phone interviews.

The examination of actual data involved attempting to sort the project reports of five STLAs in terms of the statewide services, grants, and administration categories. Three of the STLAs were Alabama, District of Columbia, and Michigan, whose fiscal year coincides with the federal fiscal year. These three STLAs were the only ones for whom the results of the sorting experiment could be checked. The other two STLAs were used as a control group and were chosen at random.

When the operation proved unsuccessful using the reports of Alabama, District of Columbia, and Michigan, the evaluation expanded its analysis to include Idaho and Connecticut. Perhaps whether the NCES expenditures categories could be obtained depended on the types of projects implemented by a particular STLA. The evaluation studied the reports of these five STLAs, searching for an STLA whose projects were either local or statewide.

Only Idaho's reports appeared to be wholly sortable into state versus local projects. Thus it appeared that only Idaho's project reports could have been sorted and summed to arrive at the NCES expenditures categories (barring the reporting period conflict). This indicated that whether sorting project reports by NCES expenditures categories to obtain by-category expenditures data would work, depended on the projects of each STLA.

7.2.2 Comparison: Reporting Period

The reporting period inconsistency between the NCES and OLP instruments was an obvious cause of divergent data. Thus, the experiment was performed more as a formality than to gather information. The methodology was straightforward. The same forty-one STLAs for whom the OLP records were available were selected for the comparison. For each STLA, total expenditures for each title were compared with total NCES expenditures for each title. The results were a little surprising--the STLAs of Alabama, District of Columbia, and Michigan did not exhibit matching data, while four other STLAs did. The four that experienced a match between NCES and OLP data do not change the conclusion that the reporting period inconsistency was sufficient to cause noncomparable data. It is possible that they had had no activities during July through September of either 1994 or 1995. However, this is improbable. It may also be that these four STLAs coincidentally had expended the same amount during that quarter in both years.

Section 7.3 Chapter Six: Analysis of Selected Expenditures Definitions

7.3.1 Introduction

To determine whether each STLA had classified its expenditures for statewide services correctly, the evaluation performed a comparison of Parts L and M expenditures. For each STLA, the actual data corresponding to the components of equations 6-1, 6-2, and 6-3 from Section 6.1 were plugged into their respective terms to see if the equations would balance. The comparison focused on whether statewide services expenditures were classified in Part L as operating, capital, or other, which would be correct; or as aid-to-libraries expenditures, which would be incorrect.

Although the evaluation focused mainly on tracking statewide services expenditures in Part L, it was also necessary to track administration and grants to get the full picture. For each STLA, two comparisons were performed: (1) federal operating expenditures were compared with the sum of statewide services and administration; and (2) aid-to-libraries expenditures were compared with grants. To make the comparison easier, the data were juxtaposed in tables (see Tables 7-1 through 7-3).

In many cases, the STLA had not received any federal funding other than LSCA grants, so an exact match between Part M and the federal component of Part L was expected. If there were other federal funds in the equation, however, the analysis became more complicated, because expenditures of LSCA funds were not presented separately from the rest of the federal funds.

The first expenditures components to balance were operating versus statewide services plus administration, represented in equation 6-1. For each STLA, statewide services expenditures for Titles I and III (items 190 and 197) were summed, as were LSCA administration expenditures for Titles I and II (items 192 and 195). These sums were in turn summed, and the total compared with federal operating expenditures (item 178).

Because the survey does not break down statewide services into its operating and capital components, the statewide services sum would have contained any capital outlay the STLA might have had. This is where equation 6-3 came into play. If the statewide services-administration sum and the federal operating sum matched, federal capital outlay from equation 6-3 was expected to equal zero. If the statewide services sum did not match federal operating expenditures, Part L's capital outlay was subtracted from the statewide services-administration sum. If statewide services minus capital outlay matched federal operating expenditures, that indicated that the STLA had classified its statewide services expenditures correctly. The second comparison involved aid-to-libraries versus grants, a relationship represented by equation 6-2. If they matched, this suggested that the STLA had classified its grants expenditures correctly, and more importantly, that the STLA had not mistakenly classified any statewide services as aid-to-libraries expenditures.

Many STLAs did not experience matches in both comparisons. Much of the time, the failure to match was legitimate, because it was due to the STLA's having received other federal funds in addition to LSCA funds, making the expenditures components of Part L larger than those from Part M. In other cases, the failure occurred because the STLA had misclassified an LSCA component in Part L.

Although the data for both comparisons did not always match, for many STLAs it was still possible to discern how they had classified Part M expenditures in Part L. As the comparisons were performed, a set of rules and assumptions for doing so gradually emerged. The rules, derived from the item definitions, reflected the fundamental relationships between the Parts L and M expenditures. The assumptions grew out of the definitional rules, and offered further guidelines for classifying expenditures.

Definitional Rules

These rules arose out of the survey item definitions. The evaluation assumed that each STLA had classified expenditures correctly by referring to the definitions in the survey instructions. If a situation arose in which it was impossible to interpret the data consistently with the rules, this suggested a misclassification. This subsection enumerates and explains how the rules were derived.

1. Statewide services expenditures are classified as operating and/or capital outlay and/or other (rare)—statewide services are defined as funds expended by the STLA. They would not be classified in Part L as aid-to-libraries, which is financial aid given by the STLA to local libraries, but as federal operating or capital outlay, because both of these categories represent funds that are expended by the STLA. "Other" is also a possibility for classification of statewide services, but only by default, because administration or grants could not be classified as other.

2. Administration is classified only as operating expenditures—administration expenditures would be classified as operating expenditures because they represent a library service performed by the STLA (unless the STLA hired a contracting agency to administer the LSCA program). Thus the other category would not include administration expenditures.

3. Grants are classified only as aid—Grants would be classified as aid-to-libraries only. Aid-to-libraries means financial aid-to-libraries, which is exactly what grants are. Thus the other category would not include grants.

Assumptions

With these rules in mind, the evaluation made the following assumptions as the STLAs came under examination. The assumptions were derived from the rules, and provide guidelines for tracking classifications in specific circumstances.

If Statewide services + administration = operating expenditures, and
Grants = Aid, and
Capital Outlay = 0, and
Other = 0,

The STLA classified Part M expenditures correctly.

If Statewide services + administration > or = operating expenditures, and
Grants = Aid,

The excess of statewide services over operating was reflected in capital outlay and/or other. To determine the excess of statewide services over operating, administration (also reflected in operating) was subtracted from operating, and the difference was in turn subtracted from statewide services.

Example using Arkansas, fiscal year 1996 (see Table 7-3):

785 (operating) - 9 (administration) = 776 (statewide services part of operating)
832 (statewide services) - 776 (statewide services part of operating) = 56 (excess).

The excess, $56, equaled the amount shown in capital outlay, indicating that equations 6-1 through 6-3 would balance for Arkansas.

If Statewide services + administration > or = operating expenditures, and
Grants < Aid,

Administration was reflected in operating and the excess of statewide services over operating were reflected in capital outlay or other, with any excess reflected in aid. Thus, any capital outlay and other would be subtracted from statewide services, with whatever was leftover attributed to aid.

Example, using Washington, fiscal year 1996:

813 - 22 = 791 (statewide services component of operating expenditures)
909 - 791 = 118 (excess of statewide services total over statewide services portion of operating)
118 - 22 = 96 (excess minus (capital outlay + other)) = Aid.

Thus $96 of statewide services expenditures were attributed to aid.

Example, using Mississippi, fiscal year 1996:

792 - 66 = 726 (statewide services component of operating expenditures)
848 - 726 = 122 (excess of statewide services total over statewide services portion of operating)
122 - 122 = 0 (excess of statewide minus capital outlay + other)).

Here, no statewide services expenditures were attributed to aid.

If Grants > Aid,

Regardless of the classification of statewide services, some grants expenditures were misclassified. (All grants should be classified as aid.)

Example using Delaware fiscal 1995:

384 - 33 = 351 (statewide services component of operating expenditures)
351 - 351 = 0 (no excess of statewide services over operating)
215 - 33 = 182 (excess of grants over aid)
182 - 184 = -2 = 0 (excess of grants over aid minus (capital outlay + other)

Thus, grants expenditures were misclassified as capital outlay.

Example using Vermont, fiscal year 1995:

445 - 5 = 440 (statewide services component of operating expenditures)
434 - 440 = -6 (deficit of statewide services total compared with statewide services portion of operating)
180 - 174 = 6 (excess of grants over aid)
6 - 0 = 6 (Excess of grants minus (capital outlay + other))

Since operating is the only Part L category with a surplus, grants expenditures must have been misclassified as operating expenditures.

If statewide services + administration < operating expenditures, and
Grants < or = Aid,

All Part M components were probably classified correctly: The excess of operating over statewide services + administration could be due to non-LSCA federal funding, such as NEH grants. Examples of this configuration include Colorado, New York, Oregon, Rhode Island, and Virginia, for fiscal year 1995. If there had been only LSCA funding, this would have indicated a typographical, mathematical, or other type of error. However, none of the STLAs whose expenditures classifications resembled those above, had received only LSCA funding.

7.3.2 Analyzing Payments to Agencies Contracted to Provide Statewide Services

The analysis of payments to agencies contracted to provide statewide services consisted of data analysis and phone interviews. It was often obvious when an STLA had classified its item 183 expenditures as grants, because the grants and aid categories had matching expenditures, so long as there was no federal funding besides LSCA funding. Also, if an agency's statewide services category was larger than the operating category by the same amount by which the grants category was less than the aid category, it was evident the STLA had classified its item 183 expenditures as statewide services. Beyond these scenarios, it was necessary to speak with the respondent. See Table 6-4 for information on which STLAs were interviewed regarding this issue.

7.3.3 Analyzing how STLAs Viewed the Statewide Services Versus Grants Distinction

Part II found that the way the STLA viewed the distinction between statewide services and grants could be discerned from the way it had classified its item 183 expenditures. For those that had no item 183 expenditures, however, phone interviews were required. STLAs were chosen for these interviews at random. Table 6-5 identifies the STLAs that were interviewed about this subject.

7.3.4 Analyzing the Treatment of Expenditures for the Direct Provision of Materials or Services to Libraries

It was impossible to tell from the data alone whether an STLA had classified expenditures for the direct provision of services or materials to libraries as aid instead of operating expenditures, so here again phone interviews were needed. As the respondents were being interviewed regarding other evaluation questions, this question was tacked on in a few cases. While only two of the STLAs interviewed, Indiana and Michigan, answered that they did buy materials directly for libraries, it may be that the others did not realize that they had these types of expenditures as well. Because only twelve STLAs were questioned on this subject, no formal data or conclusions emerged.

7.3.5 Analyzing the Treatment of Expenditures for Construction Aid

Upon examining the actual respondent data, this misclassification problem did not appear to be widespread. Consequently, only six STLAs were interviewed on whether they might have misclassified construction aid expenditures as capital outlay. Out of six STLAs interviewed, only Delaware appeared to have made this misclassification. Because few STLAs were consulted about this issue, no formal data or conclusions emerged.

APPENDIX A

Section A-1: Excerpt of Survey Materials, Fiscal Year 1995

Section A-1.1 Item 049: Definition of LSCA Administration

049 Includes determining compliance with eligibility criteria and performance standards, overseeing processes through which grant recipients are determined, announcing grant recipients and disbursing funds, monitoring and receiving reports from grant recipients, submitting plans and reports to Library Programs, and other activities involved in the management of financial assistance provided by the federal government to libraries under the Library Services and Construction Act.

Section A-1.2 Part K: Income

21. Enter in the spaces provided total funds received as income by the STLA during the reporting period specified in items 022-023. EXCLUDE carryover funds. Include income for allied operations only if the income is part of the STLA budget.

Federal Income

Library Services and Construction Act (LSCA)

Note: Report LSCA funds received as income by the STLA during the reporting period specified in items 022-023, not the federal fiscal year in which the funds were appropriated.

154 Title I – Public Library Services. Income designated to assist the state in the extension and improvement of public library services to areas and populations of the state which are without such services or to which such services are inadequate and to assist Indian tribes in planning and developing library services to meet their needs. It is the further purpose of this act to assist with: (1) improving state and local public library services for older Americans, and for handicapped, institutionalized, and other disadvantaged individuals, (2) strengthening the state library agency, and (3) strengthening major urban resource libraries.

155 Title II – Public Library Construction and Technology Enhancement. Income designated to assist in the construction and renovation of public library facilities and to enhance the technology available to improve library and information services.

156 Title III – Interlibrary Cooperation and Resource Sharing. Income designated to promote interlibrary cooperation and resource sharing by: (1) planning and developing cooperative library networks, (2) establishing, expanding, and operating local, regional, and inter-state cooperative networks of libraries, which provide for the systematic and effective coordination of the resources of school, public, academic, and special libraries and information centers, and (3) developing the technological capacity of libraries for interlibrary cooperation and resource sharing.

157 Total LSCA Titles I–III Income. Sum of items 154-156.

158 Other LSCA Income (Titles IV–VIII). If the STLA received any LSCA grant from Titles IV–VIII, report that income in this item.

159–163 If any LSCA income is reported in item 158, enter <X> in items 159–163 as appropriate to specify title(s) from which income was received.

159 Title IV. Library Services for Indian Tribes.

160 Title V. Foreign Language Materials Acquisition.

161 Title VI. Library Literacy Programs.

162 Title VII. Evaluation and Assessment.

163 Title VIII. Library Learning Center Programs.

164 Other Federal Income. If the STLA received other federal income, report that income in this item.

165 Specify program(s) and title(s). If other federal income is reported in item 164, specify its source in this item.

166 Total Federal Income. Sum of items 157, 158, and 164.

State Income

167 STLA operation. Report income received from the state to support operation of the STLA. Do not include income received for major capital expenditures, contributions to endowments, or income passed through to another agency, or funds unexpended in the previous fiscal year.

168 State Aid-to-Libraries. Report income received from the state for distribution to libraries, systems, and agencies. Includes funds derived from state taxation and appropriated by a state legislature to a state library agency for payment or transfer to an

individual library; a group of libraries; or an agency or library, other than the STLA, that provides a statewide service to libraries or citizens. Exclude state funds used to administer the state library agency; state funds used to deliver statewide services to libraries or citizens where the service is administered directly by the STLA; state funds allocated for school library operations when the state library agency is under the state education agency; and federal funds.

169 Other State Income. Report income received from the state for any other purpose, such as interagency transfers.

170 Total State income. Sum of items 167-169.

171 Other Income. Include: (1) any other income from public sources, such as local, regional, or multi-jurisdictional sources, (2) income received from private sources, such as foundations, corporations, Friends groups, and individuals, and (3) STLA-generated income, such as fines and fees for services.

172 Total Income. Sum of items 166 and 170-171.

Section A-1.3 Part L. Expenditures

22. Enter in the spaces provided total STLA expenditures, by source of funds and type of expenditure. Include all LSCA expenditures (Titles I–VIII). Include expenditures for allied operations only if the expenditures are from the STLA budget.

Operating Expenditures

Note: These are the current and recurrent costs necessary to the provision of services by the STLA.

173 Salaries and Wages. Salaries and wages for all STLA staff, including plant operation, security and maintenance staff for the reporting year. Include salaries and wages before deductions, but exclude employee benefits.

174 Employee Benefits. Benefits outside of salaries and wages paid and accruing to employees, including plant operation, security and maintenance staff, regardless of whether the benefits or equivalent cash options are available to all employees. Include amounts expended by the STLA for direct, paid employee benefits, including social security, retirement, medical insurance, life insurance, guaranteed disability income protection, unemployment compensation, worker's compensation, tuition, and housing benefits. Only that part of any employee benefits paid out of the STLA budget should be reported.

175 Total Staff Expenditures. Sum of items 173-174.

176 Collection Expenditures. Includes all expenditures for materials purchased or leased for use by STLA users, including print materials, microforms, machine-readable materials, audiovisual materials, etc.

177 Other Operating Expenditures. Includes all operating expenditures not reported in items 173-176.

178 Total Operating Expenditures. Sum of items 175–177.

Aid-to-Libraries

179 Individual Public Libraries. Libraries that are governed exclusively by a single board or political subdivision. Municipal libraries, county libraries, consolidated multi-county libraries, and library districts are considered individual libraries if there is only one administrative entity. Exclude construction aid.

180 Public Library Systems. Headquarters of regional public library systems, federations, cooperatives, or public libraries serving in a regional capacity which includes grants to headquarters of regional public library systems.

181 Other Individual Libraries. Libraries other than public libraries and school library media centers.

182 Multi-type Library Systems. Headquarters of regional multi-type library systems, federations, and cooperatives, or libraries serving multi-type libraries within a region. Multi-type library systems may serve public, academic, school, and special libraries.

183 Single agency or library providing statewide service. A single agency or library, other than the STLA, that provides a statewide service to libraries or state residents where the primary service area is all or a significant portion of the state (e.g., statewide interlibrary loan or reference service, library service to the blind and physically handicapped, etc.) Do not include funds administered directly by the STLA to provide such services.

184 Library Construction. Do not report data for this item in items 179-183, 185, or 187. Includes construction of new buildings and acquisition,

expansion, remodeling, and alteration of existing buildings, and the purchase, lease, and installation of equipment of any such buildings, or any combination of such activities (including architects' fees and the cost of acquisition of land). Equipment includes information and building technologies, video and telecommunications equipment, machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them.

185 Other Aid-to-Libraries. Expenditures for aid-to-libraries not reported in items 179-184.

186 Total Aid-to-Libraries. Sum of items 179-185.

187 Capital Outlay. Funds for the acquisition of or additions to fixed assets such as building sites, new buildings and building additions, new equipment (including major computer installations), initial book stock, furnishings for new or expanded buildings, and new vehicles. Exclude replacement and repair of existing furnishings and equipment, regular purchase of library materials, and investments for capital appreciation. Exclude the amount reported for this item from all other items except (189).

Note: State accounting practices shall determine whether a specific item is a capital expense or an operating expense, regardless of the examples in this definition.

188 Other Expenditures. These are expenditures not reported in items 173-187.

189 Total Expenditures. Sum of items 178 and 186-188.

Section A-1.4 Part M: LSCA Titles I–III Expenditures

23. Enter in the spaces provided LSCA expenditures from Titles I, II, and III, by following types of expenditure. These expenditures should also be reported in Part L.

LSCA Title I Expenditures

Note: Report the following types of expenditures from LSCA Title I:

190 Statewide services. Funds expended by the STLA to provide services to libraries and individuals throughout the state. Includes sub-grants made to single libraries or other outside agencies to provide or assist in providing such services.

191 Grants. Funds distributed by the STLA to recipients who meet eligibility criteria specified by LSCA and the state. Such funds are usually awarded for purposes specified in successful grant proposals. Such grants may be awarded competitively or on a formula basis.

192 LSCA Administration. Expenditures of Title I funds for administrative costs in connection with programs and services carried out under Titles I, II, and III.

193 Total LSCA Title I Expenditures. Sum of items 190-192. LSCA Title II Expenditures.

Note: Report the following types of expenditures from LSCA Title II:

194 Grants. See instructions to item 191 for guidance.

195 LSCA Administration. See instructions to item 192 for guidance.

196 Total LSCA Title II Expenditures. Sum of items 194 and 195.

LSCA Title III Expenditures

Note: Report the following types of expenditures from LSCA Title III:

197 Statewide Services. See instructions to item 190 for guidance.

198 Grants. See instructions to item 191 for guidance.

199 Total LSCA Title III Expenditures. Sum of items 197 and 198.

200 Total LSCA Titles I–III Expenditures. Sum of items 193, 196, and 199.

Section A-1.5: Excerpt/Copy of Data Entry Screen for Survey

1.1 VIEW/DATA ENTRY SCREEN - STLA SURVEY, FY95 Pg 20
PART K - INCOME

21. Enter total STLA income, by source and type of income. Exclude carryover funds. Include income for allied operations only if it is part of STLA budget.

	Federal income	Amount
	Library Services and Construction Act (LSCA):	
154	Title I - Public Library Services	
155	Title II - Public Lib Construction & Techn Enhancement	
156	Title III - Interlibrary Cooperation and Resource Sharing	
157	TOTAL LSCA TITLES I–III INCOME	
158	Other LSCA income (Titles IV-VIII):	
	Specify <X>: 159[_IV 160[_V 161[_VI 162[_VII 163[_VIII	
164	Other Federal income:	
165	Specify program(s) and title(s):	
166	TOTAL FEDERAL INCOME	

1.1 VIEW/DATA ENTRY SCREEN - STLA SURVEY, FY95 Pg 21
PART K - INCOME—continued

	State and other income	Amount
	State Income:	
167	STLA operation	
168	State aid-to-libraries	
169	Other State income	
170	TOTAL STATE INCOME	
171	Other income	
172	TOTAL INCOME	

BEST COPY AVAILABLE

1.1 VIEW/DATA ENTRY SCREEN - STLA SURVEY, FY95 Pg 22
PART L - EXPENDITURES

22. Enter total STLA expenditures, by source and type of expenditure. Include all LSCA expenditures (Titles I–VIII). Include expenditures for allied operations only if the expenditures are from the STLA budget.

		Amount by Source			
	Operating Expenditures	Federal (a)	State (b)	Other (c)	TOTAL (d)
173	Salaries and wages				
174	Employee benefits				
175	TOTAL STAFF EXPENDITURES				
176	Collection expenditures				
177	Other operating expenditures				
178	TOTAL OPERATING EXPENDITURES				

1.1 VIEW/DATA ENTRY SCREEN - STLA SURVEY, FY95 Pg 23
PART L - EXPENDITURES–continued

		Amount by Source			
	Aid-to-Libraries	Federal (a)	State (b)	Other (c)	TOTAL (d)
179	Individual public libraries				
180	Public library systems				
181	Other individual libraries				
182	Multi-type library systems				
183	Single agency or library providing statewide service				
184	Library construction				
185	Other aid-to-libraries				
186	TOTAL AID-TO-LIBRARIES				

1.1 VIEW/DATA ENTRY SCREEN - STLA SURVEY, FY95 Pg 24
PART L - EXPENDITURES–continued

		Amount by Source			
	Other Expenditures	Federal (a)	State (b)	Other (c)	TOTAL (d)
187	Capital outlay				
188	Other expenditures				
189	TOTAL EXPENDITURES				

BEST COPY AVAILABLE

1.1 VIEW/DATA ENTRY SCREEN - STLA SURVEY, FY95 Pg 25
PART M - LSCA TITLES I–III EXPENDITURES

23. Enter LSCA Titles I, II, and III expenditures, by type of expenditure. These expenditures should also be reported in Part L.

	LSCA Title I Expenditures	Amount
190	Statewide services	
191	Grants	
192	LSCA administration	
193	TOTAL LSCA TITLE I EXPENDITURES	

1.1 VIEW/DATA ENTRY SCREEN - STLA SURVEY, FY95 Pg 26
PART M - LSCA TITLES I-III EXPENDITURES–continued

	LSCA TITLE II Expenditures	Amount
194	Grants	
195	LSCA administration	
196	TOTAL LSCA TITLE II EXPENDITURES	

	LSCA TITLE III Expenditures	Amount
197	Statewide services	
198	Grants	
199	TOTAL LSCA TITLE III EXPENDITURES	
200	TOTAL LSCA TITLES I–III EXPENDITURES	

Section A-2: Excerpt of Survey Materials, Fiscal Year 1997

Section A-2.1 Item 049: Definition of LSCA Administration

049 Administration of LSCA grants. Includes determining compliance with eligibility criteria and performance standards, overseeing processes through which grant recipients are determined, announcing grant recipients and disbursing funds, monitoring and receiving reports from grant recipients, submitting plans and reports to library programs, and other activities involved in the management of financial assistance provided by the federal government to libraries under the Library Services and Construction Act.

Section A-2.2 Part K. Income

20. Enter in the spaces provided total funds received as income by the STLA during the reporting period specified in items 022-023. EXCLUDE carryover funds. Include income for allied operations only if the income is part of the STLA budget.

Federal Income

Library Services and Construction Act (LSCA)

Note: Report LSCA funds received as income by the STLA during the reporting period specified in items 022-023, not the federal fiscal year in which the funds were appropriated.

154 Title I - Public Library Services. Income designated to assist the state in the extension and improvement of public library services to areas and populations of the state which are without such services or to which such services are inadequate and to assist Indian tribes in planning and developing library services to meet their needs. It is the further purpose of this act to assist with: (1) improving state and local public library services for older Americans, and for handicapped, institutionalized, and other disadvantaged individuals, (2) strengthening the state library agency, and (3) strengthening major urban resource libraries.

155 Title II - Public Library Construction and Technology Enhancement. Income designated to assist in the construction and renovation of public library facilities and to enhance the technology available to improve library and information services.

156 Title III - Interlibrary Cooperation and Resource Sharing. Income designated to promote interlibrary cooperation and resource sharing by: (1) planning and developing cooperative library networks, (2) establishing, expanding, and operating local, regional, and interstate cooperative networks of libraries, which provide for the systematic and effective coordination of the resources of school, public, academic, and special libraries and information centers, and (3) developing the technological capacity of libraries for interlibrary cooperation and resource sharing.

157 Total LSCA Titles I–III income. Sum of items 154-156.

158 Other LSCA income (Titles IV–VIII). If the STLA received any LSCA grant from Titles IV–VIII, report that income in this item.

159–163 If any LSCA income is reported in item 158, enter <X> in items 159–163 as appropriate to specify title(s) from which income was received.

159 Title IV. Library Services for Indian Tribes.

160 Title V. Foreign Language Materials Acquisition.

161 Title VI. Library Literacy Programs.

162 Title VII. Evaluation and Assessment.

163 Title VIII. Library Learning Center Programs.

164 Other federal income. If the STLA received other federal income, report that income in this item.

165 Specify program(s) and title(s). If other federal income is reported in item 164, specify its source in this item.

166 Total federal income. Sum of items 157, 158, and 164.

State Income

167 STLA operation. Report income received from the state to support operation of the STLA. Do not include income received for major capital expenditures, contributions to endowments, or income passed through to another agency, or funds unspent in the previous fiscal year.

168 State aid-to-libraries. Report income received from the state for distribution to libraries, systems, and agencies. Includes funds derived from state taxation and appropriated by a state legislature to a state library agency for payment or transfer to an individual library; a group of libraries; or an agency or library, other than the STLA, that provides a statewide service to libraries or citizens. Exclude state funds used to administer the state library agency; state funds used to deliver statewide services to libraries or citizens where the service is administered directly by the STLA; state funds allocated for school library operations when the state library agency under the state education agency; and funds.

169 Other state income. Report income received from the state for any other purpose, such as interagency transfers.

170 Total state income. Sum of items 167–169.

171 Other income. Include (1) any other income from public sources, income received from private sources, such as foundations, corporations, Friends groups, and individuals; and (2) STLA-generated income, such as fines and fees for services.

172 Total income. Sum of items 166 and 170–171.

Section A-2.3 Part L. Expenditures

21. Enter in the spaces provided total STLA expenditures, by source of funds and type of expenditure. Include all LSCA expenditures (Titles I–VIII). Include expenditures for allied operations only if the expenditures are from the STLA budget.

Operating Expenditures

Note: These are the current and recurrent costs necessary to the provision of services by the STLA.

173 Salaries and wages. Salaries and wages for all STLA staff, including plant operation, security and maintenance staff for the reporting year. Include salaries and wages before deductions, but exclude employee benefits

174 Employee benefits. Benefits outside of salaries and wages paid and accruing to employees, including plant operation, security and maintenance staff, regardless of whether the benefits or equivalent cash options are available to all employees. Include amounts spent by the STLA for direct, paid employee benefits, including social security, retirement, medical insurance, life insurance, guaranteed disability income protection, unemployment compensation, worker's compensation, tuition, and housing benefits. Only that part of any employee benefits paid out of the STLA budget should be reported.

175 Total staff expenditures. Sum of items 173–174.

176 Collection expenditures. Includes all expenditures for materials purchased or leased for use by STLA users, including print materials, microforms, machine-readable materials, audiovisual materials, etc.

177 Other operating expenditures. Includes all operating expenditures not reported in items 173-176.

178 Total operating expenditures. Sum of items 175–177.

Financial Assistance to Libraries and Systems

179 Individual public libraries. Libraries that are governed exclusively by a single board or political subdivision. Municipal libraries, county libraries, consolidated multi-county libraries, and library districts are considered individual libraries if there is only one administrative entity. Exclude construction aid.

180 Public library systems. Headquarters of regional public library systems, federations, cooperatives, or public libraries serving in a regional capacity which includes grants to headquarters of regional public library systems.

181 Other individual libraries. Libraries other than public libraries and school library media centers.

182 Multi-type library systems. Headquarters of regional multi-type library systems, federations, and cooperatives, or libraries serving multi-type libraries within a region. Multi-type library systems may serve public, academic, school, and special libraries.

183 Single agency or library providing statewide service. A single agency or library, other than the STLA, that provides a statewide service to libraries or state residents where the primary service area is all or a significant portion of the state (e.g., statewide interlibrary loan or reference service, library service to the blind and physically handicapped, statewide network and/or network services, etc.) Do not include funds administered directly by the STLA to provide such services.

184 Library construction. Do not report data for this item in items 179–183, 185, or 187. Includes construction of new buildings and acquisition, expansion, remodeling, and alteration of existing buildings, and the purchase, lease, and installation of equipment of any such buildings, or any combination of such activities (including architects' fees and the cost of acquisition of land). Equipment includes information and building technologies, video and telecommunications equipment, machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them.

185 Other assistance. Expenditures for other assistance to libraries not reported in items 179–184.

186 Total financial assistance to libraries and systems. Sum of items 179–185.

187 Capital outlay. Funds for the acquisition of or additions to fixed assets such as building sites, new buildings and building additions, new equipment (including major computer installations), initial book stock, furnishings for new or expanded buildings, and new vehicles. Exclude replacement and repair of existing furnishings and equipment, regular purchase of library materials, and investments for capital appreciation. Exclude the amount reported for this item from all other items except (189).

Note: State accounting practices shall determine whether a specific item is a capital expense or an operating expense, regardless of the examples in this definition.

188 Other expenditures. These are expenditures not reported in items 173–187.

189 Total expenditures. Sum of items 178 and 186–188.

Section A-2.4 Part M. LSCA Titles I–III Expenditures

22. Enter in the spaces provided LSCA expenditures from Titles I, II, and III, by following types of expenditure. These expenditures should also be reported in Part L.

LSCA Title I Expenditures

Note: Report the following types of expenditures from LSCA Title I:

190 Statewide services. Funds expended by the STLA to provide services to libraries and individuals throughout the state. Includes subgrants made to single libraries or other outside agencies to provide or assist in providing such services.

191 Grants. Funds distributed by the STLA to recipients who meet eligibility criteria specified by LSCA and the state. Such funds are usually awarded for purposes specified in successful grant proposals. Such grants may be awarded competitively or on a formula basis.

192 LSCA administration. Expenditures of Title I funds for administrative costs in connection with programs and services carried out under Titles I, II, and III.

193 Total LSCA Title I expenditures. Sum of items 190-192.

LSCA Title II Expenditures

Note: Report the following types of expenditures from LSCA Title II:

194 Grants. See instructions to item 191 for guidance.

195 LSCA administration. See instructions to item 192 for guidance.

196 Total LSCA Title II expenditures. Sum of items 194 and 195.

LSCA Title III Expenditures

Note: Report the following types of expenditures from LSCA Title III:

197 Statewide services. See instructions to item 190 for guidance.

198 Grants. See instructions to item 191 for guidance.

199 Total LSCA Title III expenditures. Sum of items 197 and 198.

200 Total LSCA Titles I–III expenditures. Sum of items 193, 196, and 199.

Section A-2.5 View/Data Entry Screen - STLA Survey, FY 97

1.3 VIEW/DATA ENTRY SCREEN - STLA SURVEY, FY97 Pg 21
PART K - INCOME

20. Enter total STLA income, by source and type of income. Exclude carryover funds. Include income for allied operations only if it is part of STLA budget.

	Federal Income	Amount
	Library Services and Construction Act (LSCA):	
154	Title I - Public Library Services	
155	Title II - Public Lib Construction & Techn Enhancement	
156	Title III - Interlibrary Cooperation and Resource Sharing	
157	TOTAL LSCA TITLES I-III INCOME	
158	Other LSCA income (Titles IV–VIII): Specify <X>: 159|_IV 160|_V 161|_VI 162|_VII 163|_VIII |	
164	Other Federal income:	
165	Specify program(s) and title(s):	
166	TOTAL FEDERAL INCOME	

1.3 VIEW/DATA ENTRY SCREEN - STLA SURVEY, FY97 Pg 22
PART K - INCOME—continued

	State and Other Income	Amount
	State Income	
167	STLA operation	
168	State aid-to-libraries	
169	Other State income	
170	TOTAL STATE INCOME	
171	Other income	
172	TOTAL INCOME	

1.3 VIEW/DATA ENTRY SCREEN - STLA SURVEY, FY97 Pg 23

PART L - EXPENDITURES

21. Enter total STLA expenditures, by source and type of expenditure. Include all LSCA expenditures (Titles I–VIII). Include expenditures for allied operations only if the expenditures are from the STLA budget.

		Amount by Source			
	Operating Expenditures	Federal (a)	State (b)	Other (c)	TOTAL (d)
173	Salaries and wages				
174	Employee benefits				
175	TOTAL STAFF EXPENDITURES				
176	Collection expenditures				
177	Other operating expenditures				
178	TOTAL OPERATING EXPENDITURES				

1.3 VIEW/DATA ENTRY SCREEN - STLA SURVEY, FY97 Pg 24

PART L - EXPENDITURES—continued

		Amount by Source			
	Financial Assistance to Libraries and Systems	Federal (a)	State (b)	Other (c)	TOTAL (d)
179	Individual public libraries				
180	Public library systems				
181	Other individual libraries				
182	Multi-type library systems				
183	Single agency or library providing statewide service				
184	Library construction				
185	Other assistance				
186	TOTAL FINANCIAL ASSISTANCE				

1.3 VIEW/DATA ENTRY SCREEN - STLA SURVEY, FY97 Pg 25

PART L - EXPENDITURES—continued

		Amount by Source			
	Other Expenditures	Federal (a)	State (b)	Other (c)	TOTAL (d)
187	Capital outlay				
188	Other expenditures				
189	TOTAL EXPENDITURES				

1.3 VIEW/DATA ENTRY SCREEN - STLA SURVEY, FY97 Pg 26
PART M - LSCA TITLES I—III EXPENDITURES

22. Enter LSCA Titles I, II, and III Expenditures, by type of expenditure. These expenditures should also be reported in Part L.

	LSCA Title I Expenditures	Amount
190	Statewide services	
191	Grants	
192	LSCA administration	
193	TOTAL LSCA TITLE I EXPENDITURES	

1.3 VIEW/DATA ENTRY SCREEN - STLA SURVEY, FY97 Pg 27
PART M - LSCA TITLES I-III EXPENDITURES—continued

	LSCA TITLE II Expenditures	Amount
194	Grants	
195	LSCA administration	
196	TOTAL LSCA TITLE II EXPENDITURES	

	LSCA TITLE III Expenditures	Amount
197	Statewide services	
198	Grants	
199	TOTAL LSCA TITLE III EXPENDITURES	
200	TOTAL LSCA TITLES I–III EXPENDITURES	

APPENDIX B. OLP MATERIALS

Note: The following OLP materials are currently being used by the STLAs in their submissions for fiscal year 1996. Blank annual report forms for fiscal year 1995 were unavailable. However, the forms are essentially the same.

REPORT INSTRUCTIONS
FISCAL YEAR 1996
LIBRARY SERVICES AND CONSTRUCTION ACT
TITLES I, II, AND III
STATE-ADMINISTERED PROGRAM

GENERAL

- The administrative requirements for filing the Financial and Performance Report are outlined in 34 CFR 76.720 and 34 CFR 80.40 and 80.41. Please submit the original Report and one copy by December 31, 1996 to:

  State Programs Division
  Library Programs, OERI
  U.S. Department of Education
  555 New Jersey Avenue, NW
  Washington, D.C. 20208-5571
  Phone: (202) 219-2293 or FAX: (202) 219-1725

- Public reporting burden for this collection of information is estimated to average 45 hours per response, including the time to review instructions, searching existing data resources, gathering and maintaining the data needed, and completing and reviewing the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Education, Information Management and Compliance Division, Washington, DC 20202-4651; and to the Office of Management and Budget, Paperwork Reduction Project 1850-0583, Washington, DC 20503.

- National Education Goals. On March 31, 1994, the President signed the Goals 2000 Education America Act. The Act makes the National Education Goals a national policy.

The eight National Education Goals are:

1. All children will arrive at school ready to learn.

2. The high school graduation rate will increase to at least 90 percent.

3. Students will master challenging subject matter in the core subjects.

4. Students will be first in the world in mathematics and science achievement.

5. All adult Americans will be literate and have the skills necessary to compete in a world economy.

6. Every school will be free of drugs and violence.

7. Teachers will have access to training programs to improve their skills.

8. Every school will strive to increase parental involvement and participation in their children's education.

Please note on the Project Report form if you have addressed any of these goals, as you did on your FY 1996 State Plan.

PROGRAM ANNUAL REPORT

- The instructions for the Annual Financial and Performance Report forms follow:

Page 1 TITLES I, II, AND III - SUMMARY

The Summary should reflect the extent to which LSCA funds were effective in carrying out the State's Annual Program under Titles I, II, and III and the extent to which the State's Long-range Plan goals and objectives were attained.

Page 2 TITLES I AND III - PROJECT REPORT

Of the National Education Goals listed on page B2, insert the number of the goal if applicable to the project.

Technology Based: If technology is an integral part of the project, check this box.

Specify the LSCA activity by number in the upper right-hand corner box.

A separate performance report on each grant/subgrant is required (34 CFR 80.40). Projects should be reported under one of the grant program functions or eligible activities under Titles I and III and indicated in item 2 on page 2 of the project form. Each project ID performance report should contain a comparison of accomplishments to the objectives, the reasons for slippage if established objectives were not met, and additional pertinent information including, when appropriate, analysis and explanation of cost overruns of high unit costs. The number of persons served should be those who used the services provided under the project, or who benefitted directly from them, not the total population of the service area involved, i.e., the number of persons served, not the potential population that was to be reached. To ensure consistent reporting on a nationwide basis, use a definition of "person served" by counting each person once, even though that person may have used a service more than once.

Page 3 TITLE II - COMPLETION REPORT

Report all construction projects completed in FY 1996 even though funds may come from different allotment years. It is important to insert the Common Accounting Numbers (CANs) when you have used Title II funds from more than one CAN. We suggest that the date of completion for every construction project be kept on file at the State Library Administrative Agency and at the grantee library for 20 years, to facilitate the federal interest as required under Section 202(c) of the Act and 34 CFR 770.45.

If there are expenditures for "administration", check off at Item 6 and complete the amount expended of federal and State funds under Item 7. Title II funds used for administrative purposes are subject to the requirements of 34 CFR 76.703 through 76.706.

The closeout of Title II CANs differs from that of Titles I and III. Closeouts cannot take place until all obligated and reobligated funds under the original CAN have been expended.

For administrative purposes, seven years following the issuance of each Title II grant award, you will be notified by the Department of the planned closeout of the original CAN. If at that time you have not yet obligated or drawn down all of the funds made available under the CAN, you may request an extension of the closeout date using Quarterly Report Form 272 to notify the Department's Financial Payments Group Office (Fiscal Office) that funds remain in the account.

Page 4 TITLE I - FISCAL BREAKDOWN OF FY 1995 CARRYOVER FUNDS

Report only funds from the FY 1995 Title I (CAN 5E000500 allotment) expended in FY 1996.

Page 5 TITLE I - FISCAL BREAKDOWN OF FY 1996 EXPENDITURES

Report only funds expended in FY 1996 from the FY 1996 Title I allotment (CAN 6E000500) with State and local expenditures.

Page 6 TITLE I - FISCAL BREAKDOWN OF FY 1996 OBLIGATIONS CARRIED OVER TO FY 1997

Report only funds expended in FY 1996 Title I obligations (CAN 6E000500) carried over to FY 1997

B4

Page 7 TITLE III - FISCAL BREAKDOWN OF FY 1995 CARRYOVER, FY 1996 EXPENDITURES, AND FY 1996 OBLIGATIONS CARRIED OVER TO FY 1997

Report only funds expended from the FY 1995 Title III allotment (CAN 5E000501) in the upper section. In the middle section, report funds expended in FY 1996 from the FY 1996 Title III allotment (CAN 6E000501) and the amount to be carried over to FY 1997. In the last section, report on the FY 1996 obligations (CAN 6E000501) carried over to FY 1997.

Page 8 TITLES I AND III - SUMMARY OF UNEXPENDED OBLIGATIONS

If both answers in section 1 are "No", go to the next page. If "Yes", complete the remainder of the form and the proposed date the final expenditures report will be submitted to the Department. The FY 1995 allotments cannot be closed out until both the Program Office and Department's Financial Payments Group (Fiscal Office) have been notified.

Page 9 SUMMARY OF SPECIFIC REPORTING REQUIREMENTS

Item (a) Matching requirement. The required State match will be listed on the FY 1996 Title I allotment table.

Item (b) Basic Maintenance of Effort (MOE) Requirements.

Report (1) State aid expenditures to public libraries and library systems; and (2) State Library Administrative Agency expenditures for the extension and development of public library services throughout the State.

Item (c) Other MOE Requirements. Report the total expenditures from federal, State and local sources for (1) Library Services for the Physically Handicapped; and (2) State Institutional Library Services.

Item (d) Administration. Report the total actual expenditures from FY 1995 carryover and FY 1996 Titles I and II funds.

Page 10 CERTIFICATION

The Certification for the Financial and Performance Report must be signed by the designated Certifying State Official who is authorized to submit the Report.

FOR ADDITIONAL INFORMATION: Please contact your designated Administrative Librarian or Robert Klassen, Director, Library Programs, at the address shown on page B1. Telephone (202) 219-2293 or Fax (202) 219-1725.

OMB No. 1850-0583
EXP. DATE 12-31-96

DEPARTMENT OF EDUCATION
WASHINGTON, DC 20208-5571

STATE_____

REPORTING FY 1996

THE LIBRARY SERVICES AND CONSTRUCTION ACT
STATE-ADMINISTERED PROGRAM
20 U.S.C. 351 et. seq., unless otherwise noted

FINANCIAL AND PERFORMANCE REPORT
TITLES I, II, AND III - SUMMARY

BRIEFLY SUMMARIZE PROGRESS TOWARD ACHIEVING THE STATE'S LONG-RANGE PROGRAM GOALS (SEC. 6 (d) (3) (A)) (If additional pages are required, please add.)

C1

DEPARTMENT OF EDUCATION
WASHINGTON. DC 20208-5571

STATE_____
REPORTING FY 1996

THE LIBRARY SERVICES AND CONSTRUCTION ACT
STATE-ADMINISTERED PROGRAM
20 U.S.C. 351 et. seq. unless otherwise noted

FINANCIAL AND PERFORMANCE REPORT
TITLES I AND III - PROJECT REPORT
(SECS. 103, 303, 304, 305, 6(b)(2)) and (3))

GOALS 2000	TECHNOLOGY BASED	CHECK TITLE ☐ I ☐ II	PROJECT NO.

1. NAME (Identify State agency, regional or local library, organization, or institution that administered the project)

2. NAME OF PROJECT (Specify LSCA activity by number as listed on pages 4-5 for Title I and page 7 for Title III activities) ☐

3. TARGET AREA SERVED BY PROJECT

4. NUMBER OF PERSONS SERVED BY THE PROJECT

5. PROJECT EXPENDITURES BY SOURCE OF FUNDS	LSCA	STATE	LOCAL	TOTAL
FY 1995 CARRYOVER FUNDS		[redacted]	[redacted]	
CURRENT FY 1996 FUNDS				
TOTAL EXPENDITURES				
FY 1996 CARRYFORWARD FUNDS INTO FY 1997		[redacted]	[redacted]	

6. TO WHAT EXTENT DID THE PROJECT MEET ITS GOALS AND OBJECTIVES? (SEC. 5 (3)) . IDENTIFY BENEFITS AND/OR PROBLEMS WHICH RESULTED FROM THE PROJECT, IF APPLICABLE. (SEC. 6(b)(3)).

C2

DEPARTMENT OF EDUCATION
WASHINGTON. DC 20208-5571

STATE_____
REPORTING FY 1996_____
CAN (YEAR OF GRANT_____
AWARD)

THE LIBRARY SERVICES AND CONSTRUCTION ACT
STATE-ADMINISTERED PROGRAM
20 U.S.C. 351 et. seq. unless otherwise noted

FINANCIAL AND PERFORMANCE REPORT
TITLE II - COMPLETION REPORT
(SECTIONS 6(a)(2), 8 and 203)

1. NAME OF LIBRARY	2. PROJECT NO.
3. ADDRESS (Number, Street, City, and State)	ZIP CODE
4. NAME AND ADDRESS OF APPLICANT (If different from item 1)	

5. PROJECT CONSTRUCTION DATES

a. STARTED			b. COMPLETION		
MONTH	DAY	YEAR	MONTH	DAY	YEAR

6. TYPE OF PROJECT (Check appropriate boxes)

☐ a. NEW ☐ e. ACQUISITION ☐ i. EXPANSION

☐ b. REMODELING ☐ f. ALTERATION ☐ j. HANDICAPPED

☐ c. ENERGY CONSERVATION ☐ g. NEW TECHNOLOGIES ☐ k. HISTORIC BUILDING

☐ d. SAFE WORKING ENVIRONMENT ☐ h. TECHNOLOGY ENHANCEMENT ☐ l. PRESERVATION ☐ m. ADMINISTRATION

7. PROJECT EXPENDITURES, BY SOURCES: (If LSCA funds are from more than one CAN, please list.)		
	a. FEDERAL	
	1. LSCA	$
CAN _____ MATCH_____	2. OTHER FEDERAL	
	3. SUBTOTAL	$
	b. STATE	
CAN _____ MATCH_____	c. LOCAL	
	TOTAL (ADD a(3), b & c)	$

8. IN A BRIEF STATEMENT, SUMMARIZE THE PROJECT IN RELATION TO THE STATE'S LONG-RANGE PROGRAM FOR LIBRARY DEVELOPMENT. IDENTIFY BENEFITS AND/OR PROGRAMS AND/OR PROGRAMS WHICH RESULTED FROM THE PROJECT. (SEC. 203)

C3

DEPARTMENT OF EDUCATION
WASHINGTON. DC 20208-5571

STATE_____
REPORTING FY 1996 CARRYOVER
CAN 5E00050

THE LIBRARY SERVICES AND CONSTRUCTION ACT
STATE-ADMINISTERED PROGRAM
20 U.S.C. 351 et. seq. unless otherwise noted

FINANCIAL AND PERFORMANCE REPORT
TITLE I - FISCAL BREAKDOWN

PROVIDE ACTUAL EXPENDITURES FROM THE PREVIOUS YEAR'S FUNDS

GRANT PROGRAM ACTIVITIES	LSCA
1. PUBLIC LIBRARY SERVICES TO AREAS WITHOUT SERVICES (SECS. 101(l) & 102(a)(2))	$
2. PUBLIC LIBRARY SERVICES TO AREAS WITH INADEQUATE SERVICES (SECS. 101 (1) & 102 (a) (2) (A))	
3. DISADVANTAGED (SEC. 102 (a) (2) (B) (iii))	
4. *PHYSICALLY HANDICAPPED (SECS. 6 (b) (5) (A), 102(a)(2) (B)(ii) , & 103 (3))	
5. STATE INSTITUTIONAL LIBRARY SERVICES (SECS. 102 (a) (2) (B)(i) & 103(3))	
6. STRENGTHENING STATE LIBRARY ADMINISTRATIVE AGENCY for meeting the needs of the people of the State (SECS. 101(9) & 102 (b) (2))	
7. MAJOR URBAN RESOURCE LIBRARIES (SECS. 101 (10), 102 (a)(3), 102 (c) (3) & 103 (2))	
8. STRENGTHENING METROPOLITAN PUBLIC LIBRARIES WHICH SERVE AS NATIONAL OR REGIONAL RESOURCE CENTERS (SEC. 102 (a)(2) (C)	
9. LIMITED ENGLISH-SPEAKING PROFICIENCY (SEC. 6 (b) (5) (A))	
10. SERVICES TO THE ELDERLY (SECS. 6 (b) (5) (B) , 101 (1) & 103 (4))	
11. COMMUNITY INFORMATION REFERRAL CENTERS (SEC. 101 (3))	
12. LITERACY PROGRAMS (SECS. 6 (b) (5) (C) & 101 (4))	
13. **HANDICAPPED (SECS. 3 (17) , 6 (b) (5) (A) & 103 (5))	
14. INTERGENERATIONAL LIBRARY PROGRAMS (SEC. 101(5))	
15. CHILD CARE CENTER LIBRARY PROGRAMS (SEC. 101(6))	
16. MODEL LIBRARY LITERACY CENTERS (SEC. 101(7))	
17. DRUG ABUSE PREVENTION LIBRARY PROGRAMS (SEC. 101(8))	
18. ADMINISTRATION (SECS. 8 & 102 (b) (1))	
TOTAL	$

*This is the maintenance of effort project (SEC. 103 (3)).
**Do not include these funds in your maintenance of effort for the physically handicapped.

C4

77

DEPARTMENT OF EDUCATION
WASHINGTON. DC 20208-5571

STATE_____
REPORTING FY 1996
CAN 6E000500

THE LIBRARY SERVICES AND CONSTRUCTION ACT
STATE-ADMINISTERED PROGRAM
20 U.S.C. 351 et. seq. unless otherwise noted

FINANCIAL AND PERFORMANCE REPORT
TITLE I - FISCAL BREAKDOWN

PROVIDE ACTUAL EXPENDITURES OF CURRENT FY FUNDS

GRANT PROGRAM ACTIVITIES	*LSCA (a)*	*STATE (b)*	*LOCAL (c)*	*TOTAL (d)*
1. PUBLIC LIBRARY SERVICES TO AREAS WITHOUT SERVICES (SECS. 101(l) & 102(a)(2))	$			
2. PUBLIC LIBRARY SERVICES TO AREAS WITH INADEQUATE SERVICES (SECS. 101 (1) & 102 (a) (2) (A))				
3. DISADVANTAGED (SEC. 102 (a) (2) (B) (iii))				
*4. *PHYSICALLY HANDICAPPED (SECS. 6 (b) (5) (A), 102(a)(2) (B)(ii) , & 103 (3))*				
5. STATE INSTITUTIONAL LIBRARY SERVICES (SECS. 102 (a) (2) (B)(i) & 103(3))				
6. STRENGTHENING STATE LIBRARY ADMINISTRATIVE AGENCY (SECS. 101(9) & 102 (b) (2))				
7. MAJOR URBAN RESOURCE LIBRARIES (SECS. 101 (10), 102 (a)(3), 102 (c) (3) & 103 (2))				
8. STRENGTHENING METROPOLITAN PUBLIC LIBRARIES (SEC. 102 (a)(2) (C)				
9. LIMITED ENGLISH-SPEAKING PROFICIENCY (SEC. 6 (b) (5) (A))				
10. SERVICES TO THE ELDERLY (SECS. 6 (b) (5) (B) , 101 (1) & 103 (4))				
11. COMMUNITY INFORMATION REFERRAL CENTERS (SEC. 101 (3))				
12. LITERACY PROGRAMS (SECS. 6 (b) (5) (C) & 101 (4))				
*13. **HANDICAPPED (SECS. 3 (17) , 6 (b) (5) (A) & 103 (5))*				
14. INTERGENERATIONAL (SEC. 101(5))				
15. CHILD CARE CENTERS (SEC. 101(6))				
16. MODEL LIBRARY LITERACY CENTERS (SEC. 101(7))				
17. DRUG ABUSE PREVENTION (SEC. 101(8))				
18. ADMINISTRATION (SECS. 8 & 102 (b) (1))				
TOTAL	$	$	$	$

*This is the maintenance of effort project (SEC. 103 (3)).
**Do not include these funds in your maintenance of effort for the physically handicapped.

C5

DEPARTMENT OF EDUCATION
WASHINGTON. DC 20208-5571

STATE_____
REPORTING FY 1996 CARRYOVER
CAN 6E00050

THE LIBRARY SERVICES AND CONSTRUCTION ACT
STATE-ADMINISTERED PROGRAM
20 U.S.C. 351 et. seq. unless otherwise noted

FINANCIAL AND PERFORMANCE REPORT
TITLE I - FISCAL BREAKDOWN

PROVIDE ACTUAL OBLIGATIONS OF CURRENT FY FUNDS CARRIED OVER TO FY 1997

GRANT PROGRAM ACTIVITIES	LSCA
1. PUBLIC LIBRARY SERVICES TO AREAS WITHOUT SERVICES (SECS. 101(l) & 102(a)(2))	$
2. PUBLIC LIBRARY SERVICES TO AREAS WITH INADEQUATE SERVICES (SECS. 101 (1) & 102 (a) (2) (A))	
3. DISADVANTAGED (SEC. 102 (a) (2) (B) (iii))	
4. *PHYSICALLY HANDICAPPED (SECS. 6 (b) (5) (A), 102(a)(2) (B)(ii) , & 103 (3))	
5. STATE INSTITUTIONAL LIBRARY SERVICES (SECS. 102 (a) (2) (B)(i) & 103(3))	
6. STRENGTHENING STATE LIBRARY ADMINISTRATIVE AGENCY for meeting the needs of the people of the State (SECS. 101(9) & 102 (b) (2))	
7. MAJOR URBAN RESOURCE LIBRARIES (SECS. 101 (10), 102 (a)(3), 102 (c) (3) & 103 (2))	
8. STRENGTHENING METROPOLITAN PUBLIC LIBRARIES WHICH SERVE AS NATIONAL OR REGIONAL RESOURCE CENTERS (SEC. 102 (a)(2) (C)	
9. LIMITED ENGLISH-SPEAKING PROFICIENCY (SEC. 6 (b) (5) (A))	
10. SERVICES TO THE ELDERLY (SECS. 6 (b) (5) (B) , 101 (1) & 103 (4))	
11. COMMUNITY INFORMATION REFERRAL CENTERS (SEC. 101 (3))	
12. LITERACY PROGRAMS (SECS. 6 (b) (5) (C) & 101 (4))	
13. **HANDICAPPED (SECS. 3 (17) , 6 (b) (5) (A) & 103 (5))	
14. INTERGENERATIONAL LIBRARY PROGRAMS (SEC. 101(5))	
15. CHILD CARE CENTER LIBRARY PROGRAMS (SEC. 101(6))	
16. MODEL LIBRARY LITERACY CENTERS (SEC. 101(7))	
17. DRUG ABUSE PREVENTION LIBRARY PROGRAMS (SEC. 101(8))	
18. ADMINISTRATION (SECS. 8 & 102 (b) (1))	
TOTAL	

*This is the maintenance of effort project (SEC. 103 (3)).
**Do not include these funds in your maintenance of effort for the physically handicapped.

C6

79

DEPARTMENT OF EDUCATION
WASHINGTON. DC 20208-5571

STATE_____
FY 1996

THE LIBRARY SERVICES AND CONSTRUCTION ACT
STATE-ADMINISTERED PROGRAM
20 U.S.C. 351 et. seq. unless otherwise noted

FINANCIAL AND PERFORMANCE REPORT
TITLE III - FISCAL BREAKDOWN

CAN 5E000501

PROVIDE ACTUAL EXPENDITURES FROM THE PREVIOUS YEAR'S FUNDS

GRANT PROGRAM ACTIVITIES	LSCA
1. PLANNING OF COOPERATIVE LIBRARY NETWORKS (SEC. 302(a) (1))	$
2. ESTABLISHING, EXPANDING AND OPERATING LIBRARY NETWORKS (SEC. 302(a)(2))	
3. PLANNING FOR STATEWIDE RESOURCE SHARING (SEC. 304)	
4. TECHNOLOGICAL CAPACITY FOR INTERLIBRARY COOPERATION/ RESOURCE SHARING (SEC. 3 02 (a) (3))	
5. PRESERVATION PROGRAMS (SEC. 305)	
TOTAL	$

CAN 6E000501

PROVIDE ACTUAL EXPENDITURES FOR CURRENT YEAR

GRANT PROGRAM ACTIVITIES	LSCA
1. PLANNING OF COOPERATIVE LIBRARY NETWORKS (SEC. 302(a) (1))	$
2. ESTABLISHING, EXPANDING AND OPERATING LIBRARY NETWORKS (SEC. 302(a)(2))	
3. PLANNING FOR STATEWIDE RESOURCE SHARING (SEC. 304)	
4. TECHNOLOGICAL CAPACITY FOR INTERLIBRARY COOPERATION/ RESOURCE SHARING (SEC. 3 02 (a) (3))	
5. PRESERVATION PROGRAMS (SEC. 305)	
TOTAL	$

CAN 6E000501

PROVIDE ACTUAL OBLIGATIONS FOR CURRENT FY FUNDS CARRIED OVER TO FY 1997

GRANT PROGRAM ACTIVITIES	LSCA
1. PLANNING OF COOPERATIVE LIBRARY NETWORKS (SEC. 302(a) (1))	$
2. ESTABLISHING, EXPANDING AND OPERATING LIBRARY NETWORKS (SEC. 302(a)(2))	
3. PLANNING FOR STATEWIDE RESOURCE SHARING (SEC. 304)	
4. TECHNOLOGICAL CAPACITY FOR INTERLIBRARY COOPERATION/ RESOURCE SHARING (SEC. 3 02 (a) (3))	
5. PRESERVATION PROGRAMS (SEC. 305)	
TOTAL	$

Note: If State or local funds are used, indicate the amount of each in project report narratives.

C7

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